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# **WWW Visibility in Marketing**

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## Abstract

Social media is a vital channel for marketers nowadays. Customers are more empowered today than ever before and the Internet is accelerating the trend toward greater customer empowerment. In few years Web 2.0 has become a highly important media and it has changed the Web into platform where individuals can communicate, assemble and organize data. Web 2.0 also offers a variety of different “tools” for companies to be used in marketing. Because companies and products are visible and discussed in social media, it is recommendable that companies try to seek positive publicity in these media.

This thesis aims to describe the opportunities social media provides in organizational use, as well as, to provide an overview of the current situation in social media utilization in Finland. Further, it seeks to investigate the challenges organizations have in social media or in a whole field of E-marketing, and what kind of plans organizations have for the future in a field of E-marketing.

The study consists of theoretical and empirical parts. Literature part scrutinizes the literature that covers different sides of online marketing. Empirical part of the study was conducted as a survey research. Results are based on a questionnaire and interviews that were conducted among Finnish companies during time period of spring and autumn 2012. The data was gathered among companies operating in different fields of business. Interviews were transcribed and conclusions were made from those. Because of the limited number of participants that took part to the questionnaire, the results derived from it are merely suggestive. Nevertheless, interviews did strengthen the understanding that was inherited from the questionnaire.

The findings reveal that e-marketing has a very important role in the companies' marketing strategy. Majority of the firms see social media marketing as a positive thing. Yet, the companies were unsure whether they possess the needed skills to do marketing in social media effectively. The results imply that the reason for this is related to the skills and experience the companies have in social media marketing. Those are such issues though, that company will learn and will develop its own way to use social media. This was also showed in the results.

### *Keywords*

Social Media, Web 2.0, Marketing, E-commerce, Advertising, Facebook, WOM.

## Foreword

This master's thesis started when Lumolink, the online marketing solution provider, searched for a person to take part in their research project on marketing and social media. Social media as a growing phenomenon is an interesting subject and this has been enlightenment process for me. The process took little bit longer than what was the original schedule for this thesis process.

I want to thank people at Lumolink, most of all, Artem Daniliants and Mikko-Heikki Mikkela, who have managed the questionnaire and advised and supported the work. The most humble thanks go to all three persons that were interviewed during the process. All of them looked very kindly on my thesis process and were willing to give me their precious time. Without these interviews this thesis would be incomplete. Also I want to thank my supervisor, adjunct professor Raija Halonen for generous and always prompt comments and other help she gave me during writing process and in English language. She also did the best to motivate me during the process. All help was valuable for me and encouraged to continue the work.

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# 1. Introduction

Companies today face the challenge of increasing competition, expanding markets, and rising customer expectations. To remain competitive, companies must improve their business practices and employ new social media marketing channels, the same channels where the mass of customers nowadays daily visit. This study was carried out to find out how Finnish companies utilise social media and the Internet in Business-to-Consumer (B2C) marketing and visibility improving. This goal was accomplished through a literature review and analyzing acquired questionnaire data that was collected among Finnish companies in spring 2012.

Customer acquisition and marketing is vital for any business no matter whether company is doing business offline or online. The dynamics of marketing interchange and interactions between companies and consumers are far different today than they were 20, or even 10, years ago (Hanna et al., 2011). Besides traditional marketing, there are several potential channels to be used for marketing in the Internet. Social computing is one of those services that the Internet has made possible. Social media has drastically changed major part of peoples live and also the field of e-commerce. For consumers Internet makes possible to bring out their own experiences, views or preferences. However, it is quite a great challenge for firms to attract and retain the customers over the Internet due to the low barrier of entrance and severe competition (Changchien, 2004).

## 1.1 Purpose

The purpose of this thesis was to study online marketing practices of Finnish companies; what media are important to them, how widely social media was used in marketing and analyze the problems companies have faced in social marketing. The ultimate intention was to make suggestions on which methods would be suitable to use in online marketing. The focus of the study was not only in those companies, which were well known for their online marketing, but in all kinds of Finnish businesses regardless of the fact, had they used or even planned online marketing.

## 1.2 Motivation

The motivation to study social media in marketing context arose out from the obvious importance that the social media has for the people nowadays. Similarly interesting are the possibilities social media offers for the companies to make marketing. The field of Social Web is constantly changing and new sites, services and applications are introduced. Social networks are relative recent thing and still developing, especially in the context of business and marketing (Juslén, 2011). Today there are already several books available on how to use social media. However, less is known about experiences companies have gained while using social media applications for marketing purposes. In addition, there are still many companies that have not yet found the possibilities of the social media or they need the information of how to use social applications effectively.

Social media in general is extremely timely and e-commerce volume continues to increase in Finland (Asiakkuusmarkkinointiliitto, 2012). There is even a quite recent phenomenon of a so-called F-commerce that has been described as a “next big thing”. This

means basically that Facebook would turn into a store, a place where people would shop (Bloomberg, 2012.)

Consumers want to receive personal service in e-commerce as well as more often personal reduced price offers than they receive today (Descom, 2011a). According to previous studies, Finnish consumers are mainly looking for a price discounts from social media, as well as more information on new products. Consumers are also exceedingly interested about the discussion that takes place in the social media on the company and its products (Descom, 2011b.)

There begin to be an understanding that social media can be an effective boost for sales. There exists also understanding that Finnish companies are slow in acquiring the different possibilities social media offers to their marketing (Kauppalehti, 2012; Perko, 2012). On this background, it is interesting to study more deeply, how Finnish companies have deployed social media and also to find out the challenges companies may be facing in this. Additionally, this study will also benefit larger group of Finnish companies, when the research results are made freely available.

### 1.3 Prior research

The term Web 2.0 was introduced in the year 2004. Web 2.0 is usually understood as an improved version of the original form of World Wide Web (nowadays referred as Web 1.0). Distinctive features of Web 2.0 are the sociable technologies and applications. Ganesh and Srinivash (2007) have defined seven principles for Web 2.0. These are: rich user experience, peer-to-peer, network effect, collective intelligence, Web as the platform, collaboration, and modularity. According to O'Reilly (2007) Web 2.0 also means an endpoint of the common software release cycle. This means that software is not anymore provided as an artifact, but as a service (software as a service). Web 2.0 applications allows consuming and remixing data from multiple sources, including individual users, while providing their own data and services in a form that allows remixing by others. These applications are continually-updated service, that gets better the more people use those. (O'Reilly, 2007.)

Although social media is much older term than the Web 2.0, social media can be ideological and technological foundation for social media. One point of socially oriented media was achieved by 1979, when Tom Truscott and Jim Ellis from Duke University created the Usenet, a worldwide discussion system that allowed Internet users to post public messages. The growing availability of high-speed Internet access further added to the popularity of the concept, leading to the creation of social networking sites such as MySpace and Facebook (in 2004). This, in turn, coined the term "Social Media," and contributed to the prominence it has today (Kaplan & Haenlein, 2010.)

Social media itself is a group of applications that make the most intrinsic advantage of the features of the Web 2.0 platform. One definition for social media comes from Evans, who has made a definition that social media is on natural conversation between people, where thoughts, experiences and information are shared (Evans, 2008). User Generated Content (UGC) can be seen as the sum of all ways in which people make use of Social Media. The term UGC is usually applied to describe the various forms of media content that are publicly available and created by end-users Thanks to technological drivers (e.g., increased broadband availability and hardware capacity), economic drivers (e.g., increased availability of tools for the creation of UGC), and social drivers (e.g., rise of a generation of "digital natives": younger age groups with substantial technical knowledge and willingness to engage online) make UGC nowadays fundamentally different from the first days of socially oriented media (Kaplan & Haenlein, 2010.)

Earlier content creation and distribution was mainly limited to media. In these days social media allows everyone to publish and participate, and instead of passive consumption, users participate actively in developing open source software, creating content and customizing the Internet (OECD, 2006). Social media is also free to use or at least very cheap, also it is “quick” by nature and reaches huge populations. Either is any special technical resources needed to be able to reach the masses. Parameswaran and Whinston (2007, 763) say that the Web 2.0 and the social computing empower individual users with relatively low technological sophistication to “manifest their creativity, engage in social interaction, contribute their expertise, share content, collectively build new tools, disseminate information and propaganda, and assimilate collective bargaining power.”

Also companies are nowadays adopting social computing technologies. Setting up an e-retail site and then waiting for customers is not enough anymore. Instead, companies are now more proactive, finding ways to engage customers, build relationships, and create communities. This is known as social commerce (Turban et al., 2010.)

Most social network sites support the maintenance of preexisting social networks, but others help strangers connect based on shared interests, political views, or activities. Social media sites contain applications for participation, conversation and community and they vary in the extent to which they incorporate new information and communication tools, such as mobile connectivity, blogging, and photo/video-sharing (Boyd & Ellison, 2007.) Therefore it is important for a company to find the right channel where own target group can be accessed.

Online commerce and interaction has grown dramatically over the last decade (Oestreich-Singer & Sundararajan, 2010). Also social networks saw a 500% increase in traffic between 2007 and 2008 (Leitner & Grechenig, 2009). Therefore contemporary marketers cannot ignore the phenomenon of social media because it has rapidly become the de facto modus operandi for consumers who are disseminating information on products and services (Mangold & Faulds, 2009). Necessary though companies don't know what should or could be done. The important thing for businesses to know is how they can create additional value from social commerce. Many recent researches, including Rad and Benyoucef (2011), show that extra value comes from the impact of Web 2.0 and from the role of the user generated content on customer's decision making process.

## 1.4 Research question

The aim of this research was to explore **how Finnish companies do e-marketing and use social media applications in their marketing**. This objective was studied with the help of three research questions:

- How can different marketing techniques available in e-marketing help companies in their marketing?
- How widely companies use social media marketing in relation to traditional marketing and what are the most popular marketing media?
- What are the difficulties and future plans companies have in relation to e-marketing?

In order to find the answers, a literature review was first conducted. Previous research work was explored mainly in the areas of electronic commerce, social networks and online marketing. Empirical data was then collected via web survey to study the e-



marketing situation. Later still three interviews were conducted to gain in-depth knowledge about the most interesting discoveries.

## 1.5 Main contribution

This study contributes to the understanding of the marketing and advertising situation among Finnish companies, in the field of e-marketing and especially social media marketing. The study was important, because these kinds of studies are the best way to find out the current situations in e-marketing business. The topic is very timely since the use of Internet and especially social media is constantly increasing and provides new ways to do marketing. Broad knowledge on e-marketing, for example, about marketers and problems in marketing, provide valuable information for companies like Lumolink, as they can use the information to provide such services which are tailored to the marketers needs. Also the study provides valuable information directly for e-marketers.

## 1.6 Structure of the study

This thesis is divided into the following parts: Introduction, Online marketing, Social media in online marketing, How to deploy and gain benefit from social web, Previous studies on business use of Web 2.0, Research methods and data collection, Data analysis and the results, and Discussion.

*Online marketing* (Chapter 2) introduces the principles of online marketing and the most used advertising methods. The chapter is divided into eight sub-chapters. *The social media in online marketing* (Chapter 3) describes the methods that can be applied in social media marketing. *How to deploy and gain benefit from social web* (Chapter 4) describes in detail how to use social media in business level. Chapter also introduces popular social media applications. *Previous studies on e-marketing* (Chapter 5) introduces earlier research in online marketing. The chapter lists both international and Finnish studies on e-marketing generally and on Web 2.0 business use. *Research methods and data collection* (Chapter 6) explains the research- and data collection methods utilized in this study. *Data analysis and the results* (Chapter 7) presents the results of the research. *Discussion* (Chapter 8) discusses the findings of this study, presents the limitations of the research and identifies the future research topics.

## 2. Online marketing

In this the chapter the basic methods used in online marketing are introduced. First we emphasize the basic principles of the internet marketing. After that we explore the social context in online marketing including the customer reviews. After that the challenges in online marketing are presented and also B2B marketing is presented in general level. At the end is a summary.

### 2.1 Principles to use in Internet marketing

The principles used in mass marketing are ineffective, when transferred to Internet marketing. To get the best results, it is essential, as Juslén (2011) pointed out, to use the applications and marketing strategies that are born in the Internet and suitable for online marketing.

Electronic marketing (e-marketing) refers to the strategic process of distributing, promoting, pricing products, and discovering the desires of customers using digital media and digital marketing. E-marketing goes beyond the Internet and also includes mobile phones, banner ads, digital outdoor marketing, and social networks (Pride & Ferrell, 2012.) Because of the fierce competition on the Web for the attention of the potential buyers, it takes enormous marketing expenditures from the E-marketers to set themselves out from the crowd, get visitors to their sites and get them actually make a purchase (Hoffman & Novak, 2000).

In Internet consumers are not expecting overwhelming praises or aggressive marketing. Instead, marketer gets better results, when attention is well-earned with an interesting content, which is also useful and help consumers to solve problem they might have. Juslén (2011) defines six marketing principles for Internet marketing:

- The company must define the objectives that it is going to fulfill
- Create an active homepage, that encourages to action
- Publish interesting content that deserves customer attention
- Make sure that your company can be found (search engine, blogs, social media)
- Use applications that are helping in creation of customer relationship
- Create goals that are measurable and continuous develop processes with the help of the data that is generated in the Internet (Web analytics).

To succeed in the future, organizations need marketers, strategists and agencies with up-to-date knowledge on how to apply digital media such as Web, e-mail, and mobile (Chaffey et al., 2009).

### 2.2 Features of online marketing

Advertising in the Internet plays an extremely important role in e-commerce. The most important reasons for this are: online ads can reach a large number of consumers, ads

are easily updated, they can contain text, audio or animation, and online ads are frequently cheaper than traditional ads (Turban et al., 2010). The major advantages of using the Internet for marketing are precise targeting, interactivity, rich media, cost reduction, efficiency and customer acquisition. In addition, the Internet is the fastest growing communication medium by far.

Almost from the beginning of the Internet one of the most important new capabilities has been its bi-directionality, when compared to previous mass communication technologies, (Dellarocas, 2003). When consumers are allowed to communicate bidirectionally, it may make consumers think of the sites as more accessible, which may also be beneficial for building and sustaining relationships (Yoon et al., 2008). Now social media has amplified the power of consumer-to-consumer conversations in the marketplace by enabling one person to communicate with literally hundreds of thousands of other consumers quickly and with relatively little effort. However, companies cannot directly control these conversations (Mangold & Faulds, 2009.)

One of the weaknesses of traditional marketing is that the advertisers know nothing (e.g., on TV- or print marketing) or only very little (direct mail marketing) of about the recipients (Turban et al., 2010). In online marketing, the structure of online communications allows publishers and advertiser networks to learn considerably more about online users than has been possible with traditional media. Companies can use this data for their own benefit and associate products with the customers who were buying them. In Internet, online media or their ad networks typically know for certain whether an individual is viewing their site at a certain time. In addition, individual websites may have detailed information on registered users and this information they can also use for advertising. The platform can determine the time of day and location of the view and may also be able to determine certain characteristics of the viewer. For example, search engines know the keywords a user requested, and publishers know the content of the page at which the user is looking. Both may know recent search or browsing behavior. Advertisers can target their messages to those consumers for whom the messages are most relevant and who are most likely to buy as a result of receiving this message (Evans, 2009.)

An approach of measuring the social influence between consumers of an E-commerce website provides also multiple benefits. First, online shoppers are provided a number of high quality and personalized reviews of a product from trusted sources to convince them to buy. Second, a company producing a product may get customers' direct and detailed responses and be in a better position to predict market trends. Third, an E-commerce website can identify opinion leaders with high influence and maximize the effectiveness of marketing based on a social network surrounding opinion leaders. By knowing the customers, company can avoid marketing directly to a consumer who is largely influenced by friends, and is not very likely to buy a product unless recommended by friends (Kim & Srivastava, 2007.)

## 2.3 Features of social media marketing

Social networks are not unique to e-commerce. Purchasing decisions are often strongly influenced by people who the consumer knows and trusts. In offline world this means that the customer's decision to buy a product or a service is mainly influenced by friends, family and colleagues (Rad & Benyoucef, 2011). This type of promotion is called word-of-mouth (WOM) marketing, and take place between two or more people, that is, via social network (Doyle, 2007). Larson (2009) even argues that word-of-mouth marketing is the most influential marketing strategy. In the case of electronic commerce, term electronic word-of-mouth (eWOM) is also used. According to Hennig-Thurau et

al. (2004) eWOM refers to any positive or negative statement made by potential, actual, and former customers about a product or a company via the Internet.

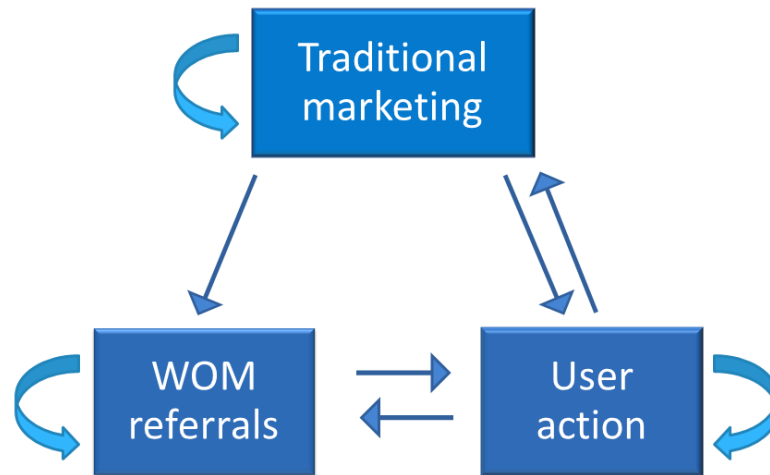
Another much used term in the context is Viral Marketing. The difference between these terms is somewhat uncertain, but Ferguson (2008) argues that the difference is one of cause and effect, and that the viral is the cause. Bampo et al. (2008) state that viral marketing refers more to any strategy to use social networks to achieve marketing objectives that is, encourages individuals to propagate a message.

The premise of viral marketing is that targeting a few influential customers initially can trigger a cascade of influence through social network in which friends will voluntarily share their experiences or recommend the product to other friends (Kim & Srivastava, 2007). This means that they spread WOM about these products, and in turn increase awareness and sales. Prior research has shown that WOM effectiveness depends on the strength of ties or the intensity of the relationship among consumers (Granovetter, 1973). Some people have substantial social effects on others with an exceptionally large number of social ties. These consumers are sometimes labeled as an opinion leaders, influentials, influencers, or hubs (Goldenberg et al., 2009.)

Schimmel and Nicholls (2005) studied what are the most important factors in influencing online shopping. They found that WOM (recommendations of friends and family) had the strongest influence. They believe that this indicates that generating positive word of mouth is crucial to success. Therefore it is in the best interest of the company to be engaged in this communication sharing, positively influencing the message, and facilitating action and brand awareness through integrated viral marketing strategies (Larson, 2009). According to Yang et al. (2008) encouraging user contributions and online collaborations benefit the company, because the rich content contributed to the website helps the growth of the user community and increase the potential of attracting online advertisements and businesses, but it also benefit the users, who can get valuable information from others contributions. On the other hand, Trusov et al.'s (2009) study discusses on the possibility that fertilized word-of-mouth (i.e., company stimulated WOM activity) would be substantially less effective than organic word-of-mouth, but they left this question open.

The second most influencing factor in Schimmel and Nicholls' study was search engines and the use of keyword searches. In their study, word-of-mouth- and search engine advertising are considered the most credible of the message delivery methods. The interactive media, banner ads, e-mail notices, chat rooms, and discussion boards did not have much impact in influencing online shopping behavior. Hill et al. (2006) summarize that network-based marketing seek to increase brand recognition and profit by taking advantage of a social network among consumers.

Figure 1 presents the conceptual model by Trusov et al. (2009) for capturing the complete set of effects of WOM and traditional marketing actions in social network site setting. The user action that Trusov and colleagues measured was the new member acquisition (new sign-ups) to the social networking service. Presumably though, it is relatively safe to assume that the same direct and indirect effects between marketing, WOM and user made action exists also when thinking the effects of WOM and traditional marketing in other situations, where user action is needed (e.g., purchase). We know that marketing affects to purchase decisions, as well as, that WOM affects to decision to buy or not to buy. In fact, as already mentioned, WOM is one of the most influential marketing strategies.



**Figure 1.** Conceptual model for capturing the complete set of effects of WOM and marketing actions in social network site setting (Modified from Trusov et al., p. 93).

Figure 1 shows how to incorporate both the direct effects and the indirect effects of WOM and traditional marketing actions. Trusov et al. found that traditional marketing action increases WOM activity, which in turn increases new member signups to the networking site. WOM may enhance the effect of traditional marketing especially in the situations when the marketing activity serves to stimulate WOM. The route where activity affects WOM and sign-ups is called as an indirect effect in Trusov et al.'s study. Study also shows that WOM and new signups are endogenous, i.e., WOM leads to more new members and more new members lead to more WOM. A similar pattern of causality exists for new signups and traditional marketing activity. Lastly, lagged effects of traditional marketing, new signups, and WOM referrals are also included in the model (as indicated by the curved arrows) (Trusov et al., 2009.)

They conclude that, the explicit capture of the time series of WOM activity (alongside other marketing and customer signups), offers managers a new lens with which to view the productivity of both WOM as well as traditional marketing spending (Trusov et al., 2009).

The key assumption of network based marketing is that consumers propagate positive information about products after they either have been made aware of the product or have experienced the product themselves (Hill et al., 2006). Reichheld (2003) suggests that metrics such as customer satisfaction and loyalty are not accurate measures when used to predict growth. Ultimately what is important is "what your customers tell their friends about you" (Reichheld, 2003). This can happen in many ways, for example, through blogs or in many cases through online consumer reviews, that is, electronic word-of-mouth (Park & Lee, 2008). Firms may use their websites to facilitate consumer-to-consumer advocacy via product recommendations (Kautz, Selman & Shah, 1997) or via on-line customer feedback mechanisms (Dellarocas, 2003). Consumer networks may also provide leverage to the advertising or marketing strategy of the firm (Hill et al., 2006).

Customer identification is essential to building long-term advocacy. Viral marketing is not an effective acquisition technique without capturing the customer identification by collecting an e-mail address, signing up the customer for an opt-in program or tracking

offer redemption. Metrics that end by measuring the reach of viral campaign only tell how consumers responded to that particular campaign. They cannot tell whether any of those consumers try products and become long-term customers. Identification is the first and most important step in the relationship chain which leads to cross-sell, up-sell and increased customer lifetime value (Ferguson, 2008).

The Web is nowadays dominated by applications and services that facilitate collective action and social interaction online with rich exchange of multimedia information and evolution of aggregate knowledge (Parameswaran & Whinston, 2007). This is due the social nature of Web 2.0, which is closely related to development of content creation and sharing applications (Mustonen, 2009). Social connections can be manifested in many different forms. According to Mustonen (2009) and Parameswaran and Whinston (2007), these include:

- Blogs
- Discussion forums
- Wikis
- Social bookmarking
- Social networking sites
- Peer-to-peer networks
- Open source communities
- Virtual worlds
- Photo-, audio- and video sharing communities.

According to Turban et al. (2010) companies are spending money mostly on wikis, blogs, RSS, tagging and social networking. The methods to use social media in business are constantly increasing and changing. For business point of view the most important ways to use social media are: gathering feedback and information, advertising and promotion and product innovation (Mustonen, 2009.) When the company uses customers or users for product innovation or development, it is called crowd sourcing. Crowd sourcing means that a large group of people can create a collective work, whose value far exceeds that provided by any of the individual participants (O'Reilly & Battelle, 2009). Additionally, as Oinas-Kukkonen have put it, "the markets are best known by the markets themselves" (Oinas-Kukkonen, 2008, 187).

The job of the marketer in the social web is to aggregate customers by providing interesting content on the company's web site, creating environments that customers wants to visit and by going out and participating in the public arena. Weber also argues that social web will be the most critical marketing environment around and emphasized the role of customer, because the customer is in control. Overall, social media demands interaction skills and active participation (Weber, 2009.)

## 2.4 Customer reviews in online marketing

As a digital version of word-of-mouth, online review has become a major information source for consumers and has very important role in purchasing situations. Park and Lee (2008) state that customer reviews has two roles that are equally important for the customer, the informant role and the recommender role. Multitude of customer reviews suggests that the product is popular in which case reviews serve in recommender role. Also reviews such as "I can't believe I got this. I'm proud of this" are simple-recommendation reviews. These are subjective, emotional and have no support for arguments.

In the traditional marketing customers turned to professional reviewers for knowledgeable opinions. In the new marketing customer reviews are also important for small businesses to enhance the experience of being part of family of customers. Particularly important customer reviews become for things that people don't do very often. In the new marketing, the best Web site will combine professional and user-generated content (Weber, 2009.) Thus, consumers interested in a less popular product are likely to search and access more WOM information to shield themselves from possible regrets (Chatterjee, 2001).

A previous study cited by Fisher (2009) showed interesting facts that are related to customer reviews. According to study, 70 per cent of consumers have visited social media sites to get information; 49 per cent of these consumers made a purchase decision based on the information they found through social media sites; 60 per cent of people in the study said they are likely to use social media sites to pass along information to other online; and 45 per cent of people who searched for information via social media sites engaged in word of mouth compared to 36 per cent who found information on a company or news site. These results that customer reviews have a real power to affect customer's decisions and reviews also improve company's visibility online, when information is passed to other users online.

However, because anyone can provide information online, the quality of such information tends to vary significantly. As a result, while a novice may easily trust online opinions, Internet veterans are not nearly as easily influenced. (Zhu & Zhang, 2010.) Moreover, the value of customer reviews can diminish if all reviews are merely positive. According to Dellarocas and Wood (2008), previous researches suggest that more than 99% of customer feedback on eBay is positive. One possible explanation for this discrepancy is that, whereas satisfied traders generally report their satisfaction online, dissatisfied traders often prefer to remain silent (Dellarocas & Wood, 2008). However, Liu (2006) shows that at least in movie theater context, both negative and positive WOM increase performance (box office revenue).

Cheema and Papatla find that the relative importance of online information is higher for utilitarian products than for hedonic products. They also find that, in the case of online purchases, the relative importance of online information decreases with increasing consumer Internet experience. This means that offline information becomes relatively more important for consumers with high levels of Internet experience. They see that possible reason why the importance of online information decreases, is that consumers' trust of online search engine information decreases with increasing Internet experience. Consequently they suggest that experienced users may be targeted best with both online and offline information sources in which case firms should also focus on providing positive and persuasive information about their product in offline contexts. Experienced users may be influenced more effectively with offline advertising, publicity, and in-person word-of-mouth recommendations. To influence inexperienced users, they suggest that firms should expand the availability of information regarding their products through multiple online sources such as search engines, product review sites, consumer discussion groups and online publications related to their categories (Cheema & Papatla, 2010.)

## 2.5 Challenges in online marketing

Many firms invest heavily in e-marketing mainly because of the competitive pressure and for establishing better relationship with their customer. Overall, the range of benefits that can be achieved from participation in e-marketing is extensive, although not all will apply to every company (Chong et al., 2010.) The online environment creates op-

portunities, but also challenges for the marketing communication process. Previous study asked salesperson's perceptions about major barriers in B2B organizations to using technology. Many organizations stated barriers such as lack of money, lack of training, lack of time required (to learn and use), and lack of technical/management support (Buehrer et al., 2005). It may also be that from company's viewpoint SNS are not important within the industry the company operates, or the company is uncertain whether or how SNS could help brands (Michaelidou et al., 2011). One challenge that marketers face during marketing is consumers' perceptions of online advertising. Some advertising forms, especially banner ads, have been perceived as being annoying by many consumers, because traditionally they have had a negative connotation associated with them (Ghose & Yang, 2009).

The fragmentation of audiences and communication contexts requires the customization of online marketing messages. On the other hand the transparency of the web makes online information available to all audiences, and together with interactivity and memory of the web, necessitates the consistency of communication and the coherence of the transmitted meaning (Gurău, 2008.)

The international dimension of the internet creates another specific problem for communication practitioners. Complex choices have to be made and implemented in terms of the communication strategy and tactics. If the company attempts to reach foreign audiences, the message needs to be adapted to the cultural specificity of the overseas public (Gurău, 2008.) For e-commerce to deliver its global sales potential, careful consideration of how potentially culture-specific content is portrayed on a website is of paramount importance (Luna et al., 2002). For example, mother tongue not only affect on people's cognitive schemas but also on the way they approach and solve tasks (Nantel & Glaser, 2008.)

Nantel and Glaser also cite the anthropologist Edward Hall who differentiates between low-context cultures (such as the USA, Germany, and Scandinavia) where the message of the written or spoken word is more important than pictures or other types of information, and high-context cultures (such as Japan, China, or Latin America) that rely heavily on contextual clues. In those cultures the overall environment in which the message is delivered (colors, authority and role of the speaker or writer, setting, etc.) provides more substantial meaning than the actual spoken or written word (Nantel & Glaser, 2008.)

Social media has introduced also new challenges for marketers. Now the question that executives are thinking is how can this power of WOM be harnessed for the benefit of the organization? (Mangold & Faulds, 2009). Though social media is powerful, many executives are reluctant or unable to develop strategies and allocate resources to engage effectively with social media (Kietzmann et al., 2011). Consequently, firms regularly ignore or mismanage the opportunities and threats presented by creative consumers (Berthon, Pitt, McCarthy & Kates, 2007). According to Kaplan and Haenlein (2010) one reason behind this ineptitude is a lack of understanding regarding what social media are, and the various forms they can take. Further, as companies develop social media strategies, platforms such as YouTube, Facebook, and Twitter are too often treated as stand-alone elements rather than part of an integrated system.

Companies do not either truly understand how be active in social media and do it effectively, what performance indicators they should be measuring, and how they should measure them (Hanna et al., 2011). Weinberg and Pehlivan note that social media objectives can differ from traditional media objectives. With social media, organizations may emphasize engagement with consumers and talk to customers, as well as generate posi-



tive word of mouth where customers talk to one another, for example, about a brand (Weinberg & Pehlivan, 2011.)

Constant chase for information about social media activity is tremendously time-consuming (Kietzmann et al., 2011). Yet, firms must scan their environments in order to understand the velocity of conversations and other information flows that could affect current or future position in the market (McCarthy et al., 2010). The benefits of e-marketing are not normally realized in a short space of time and companies should be realistic about short-term benefits. A longer, slower approach may be a more reliable way to achieve sustainable advantages from e-marketing participation (Chong et al., 2010.)

## 2.6 B2B marketing

To date, there is paucity of systematic research on how SNS are used by companies, particularly B2B companies, and how they contribute to brand objectives. B2B organizations seem to have realized SNS potential in supporting their brands later than B2C organizations (Michaelidou et al., 2011.) B2B companies can use social media and specifically SNS such as Facebook and LinkedIn to communicate with their customers and suppliers, build relationships and trust, as well as to identify prospective partners in terms of B2B selling (Shih, 2009). It is notable that the interest in, and subsequent adoption of, social media by B2B organizations has been slow compared to their B2C counterparts (Michaelidou et al., 2011).

The e-marketing benefits in B2B are quite similar B2C marketing. A recent survey study by Chong et al. (2010) which was conducted among Asian companies, investigated from the small and medium size company (SME) point of view three questions about their marketing: *what are the biggest reasons to use e-marketing*, *what are the problems in e-marketing*, and *what are the actualized benefits of e-marketing*. It seems to be that the three most important reasons for e-marketing adoption for SMEs are the “competition in the marketplace”, “e-marketing is a part of their company’s marketing strategies”, and “globalization” (Chong et al., 2010.)

The biggest problems faced by the B2B e-marketing firms were the security (over 25% of respondents answered this). This was followed by implementation, expertise, lack of resources, lack of senior management support, and lack of time (Chong et al., 2010.)

The performance of e-marketing was also explored with the respondents. Over 61% indicated that e-marketing was “good” for their marketing activities, 19.5% “had no idea about it,” 12.6% reported that it was “not efficient at all,” and only 6.9% stated that e-marketing was “significantly beneficial” to their businesses (Chong et al., 2010.)

## 2.7 Summary

In this chapter the reader was introduced to the basics of Internet marketing. Marketing in the Internet requires an approach that is designed to Internet environment. Interesting and useful content is better way to evoke an interest in customers, than an aggressive marketing. Customers are also interested in personalized advertisements. In these days customers are interested in interactive applications and the possibilities these provide to share their knowledge and interests with other customers. These experiences can be shared in social networking websites, blogs or in some other Web 2.0 application. This collaboration is referred with the term word-of-mouth. The effect of WOM is strong, because people are more trustful to other user than to marketer’s message. Traditional

marketing can be used to stimulate and boost the effect of WOM, and traditional marketing is still effective method on its own.

For an organization, benefits like collaboration, process innovation, and cost reduction are strong reasons to adopt Web 2.0. Also feedback and information gathering plays a major role in business uses. Organizations may also have some difficulties that prevent them to start using social technologies. The most common reasons are: lack of money, -time, -training, or -support. Many of these same reasons are also challenges in B2B-marketing. But if a company is adopting social media in its marketing palette, it demands interaction skills and active participation.

Important aspect is that in social marketing e-marketer can collect data about customer and the social influence between customers and the website, or also between different customers. This will help marketer to identify opinion leaders and maximize the effectiveness of marketing. Customer reviews has two roles that are equally important for the customer, the informant role and the recommender role. There is also evidence that online reviews could be more effective in influencing the purchases of less popular products.

### 3. Internet marketing strategies and techniques

This chapter introduces the various strategies and techniques to market in Internet, e.g., banners, search engine optimization, pay per click, E-mail marketing, and search engine advertising. After this the chapter introduces the meaning of Web analytics. Then the chapter presents previous studies on measuring internet marketing effectiveness. At the end is a summary.

Large number of online advertising methods exists. Evans cite an American “Interactive Advertising Bureau annual reports and press releases, 2000-2009” -report on evolution of revenues from different online advertising formats on period 2000-2008 (Table 1). According to report, banner-ads have lost ground in decade. On banners percentage of revenue has dropped from 48% to 21%, whereas revenue from E-mail has stayed on the same level, from 3% to 2% of the total online advertising revenue. Search, which refers to paying Internet companies to present an advertisements linked to a specific search word or phrase, and includes wide variety of advertising methods, has growth most. However, total revenue has grown almost threefold in eight years (Evans, 2009.)

**Table 1.** Evolution of Revenues from Online Advertising Formats (percentage of the total) (Evans, 2009, p. 40).

<i>Advertising format</i>	<i>2000</i>	<i>2004</i>	<i>2008</i>
Banners	48 %	19 %	21 %
Search	1 %	40 %	45 %
E-mail	3 %	1 %	2 %

Currently, advertising in the online world employs number of pricing models including cost-per-click (CPC) and cost-per-impression (CPM). CPC is an essential part of every business’s online marketing strategy. CPC advertising enables businesses to put their products or services in front of their target market at a fraction of the cost of traditional advertising, which will bring your business a higher return on investment and an increased customer base. CPC advertising enables the company to pay only for the number of times the ad is clicked on - not the number of times the ad is viewed or displayed. What this results in is targeted exposure for the business (Sweeney et al., 2006.)

#### 3.1 Banners

A banner is a graphic display, which is linked to advertisers Web site. When users “click” the banner, they are transferred to the advertiser’s site. There are several types of banners (e.g., pop-up banners). The major benefit of banner ads is that, by clicking on them, users are transferred to an advertiser’s site. (Turban et al., 2010.) When selling banner space to advertiser, web publisher typically choose between two price regimes: cost-per-mille (CPM) (also called cost per impression, CPI) and cost-per-click (CPC) (also called pay-per-click, PPC) (Fjell, 2010). Usually banner ads are charged by CPM pricing arrangement (Rubinfeld & Ratliff, 2010) in which case the banner ads should be

placed on specific high traffic websites to be able to reach the target groups (Found Agency, 2007).

However, display ads need not be sold on a purely per-impression basis. Display ads are typically clickable (so that clicking on the ad takes you to the advertiser's web site) and some display ads aggressively encourage such interaction (Rubinfeld & Ratliff, 2010.) As an alternative method to above banner ads may be charged by pay-per-click (PPC) - advertising. Search engines such as Google, Yahoo, and MSN have discovered that as intermediaries between users and firms, they are in a unique position to sell a form of advertisements where advertisements are based on customers' own queries and are hence considered far less intrusive than online banner ads or pop-up ads (Ghose & Yang, 2009.)

It is quite possible for display ad charges to be made on a hybrid basis, paying both per impression and per click. Indeed, Google's AdWords customers can purchase ads to be displayed on the web sites of any of Google's AdSense partners, and these display ads are charged either on a per-click or per-impression basis (Rubinfeld & Ratliff, 2010.) The difference between this model and standard banner advertising is that Google's image ads are precisely targeted to the content of a publisher's web page using the AdWords contextual advertising technology. Advertisers are able to target their image ads by selecting keywords related to their product, which is then used to match the image ads to related content on web pages where the ads appear (Found Agency, 2007.)

Many consumers have been perceived banner ads as being annoying because traditionally they have had a negative connotation associated with them (Ghose & Yang, 2009). Nevertheless, Manchanda et al. (2006) found that banner advertising actually increases purchasing behavior. Schimmel and Nicholls (2005) in turn argue that online consumers are no longer clicking on banners at the rate they once did. According to them, the rate for banner click throughs was less than 1%. However, they also state that even if the banner is not clicked on, it still fulfills a role in the marketing communications program, if the advertiser has adjusted the role of banners to convey a brand message.

Banner ads also seem to lose the power when advertising in online social networking communities. Previous literature shows also that social network users seems to be clicking on ads very rarely when compared to other Internet users. Same note seems to match also to users who clicked on an ad then made a purchase. There were more of nonusers of online communities who clicked on an ad then made a purchase, than those social network users who clicked on ads did the same (Zeng et al., 2009.)

### 3.2 E-mail advertising

Sending company or a product information, "The Newsletter", to people that appear on mailing list has become a popular way to advertise on the Internet and it is an important source of traffic (Turban et al., 2010; Mangiaracina et al., 2009). Typically, this is done by asking the consumer to fill out a survey indicating interests when registering for a service. The marketer then matches advertising messages with the interests of consumers (Krishnamurthy, 2001.)

The advantage of this method is that e-mails are interactive medium that can combine advertising and customer service, low cost and ability to reach wide variety of targeted audiences. Most companies have database of customers to whom they can send e-mail messages (Turban et al., 2010.) This is called "permission marketing" or also "invitational marketing" (Krishnamurthy, 2001.)

### 3.3 Search engine advertising

Search engines are good mechanism to find information and, therefore, a good platform for online advertising (Turban et al., 2010). Search engine marketing is currently the most popular form of online advertising and market for search engine marketing continues to grow steadily throughout the world (Skiera et al., 2010). Google AdWords and Yahoo! Search Marketing are big players in search advertising. Yahoo! Search Marketing and Google AdWords sell text-based keyword targeted ads through their own search engines as well as through a network of other search engines (Sweeney et al., 2006.) Search ads are typically sold on a per-click basis (Rubinfeld & Ratliff, 2010).

There are two major forms of search engine advertising. (1) In keyword advertising advertisements appear on the screen along with the search results when the chosen keywords are searched. In sponsored search, firms that wish to advertise their products or services on the Internet submit their product information in the form of specific keyword listings to search engines (Ghose & Yang, 2009). (2) Search engines allow companies to send Internet addresses for free so that these addresses can be searched electronically. After search engine spiders have crawled through each site and indexed its content and links, the site is then included as a candidate for future search. The major advantage is that everyone can submit a URL for search engine and be listed (Turban et al., 2010.)

Drawbacks are that, (1) the chance that the specific site will be placed at the top of search engine display list is very thin and, (2) different search engines index their listings differently. Search engines may index the site using the “title” or “content description” in the Meta tag. Meta tag describes the content of Web site and is written in the HTML code (Turban et al., 2010.)

### 3.4 Search engine optimization

When Google appeared in 1998, people found that it was providing much better search results than the other search engines. The reason for this in large part was due to the link popularity element in Google’s algorithm. Consequently Internet marketers learned as much as they could about these algorithms and optimized pages of their Web sites accordingly. Methodologies for optimizing the sites for the search engines started to appear and these are still relevant (Sweeney et al., 2006.)

Search engine optimization (SEO) is the method to increase the site rank on search engine. To do so, optimizer needs to know the ranking algorithm of the search engine and the best search phrases, and then tailor the ads accordingly. Algorithms may be different for different search engines (Turban et al., 2010.)

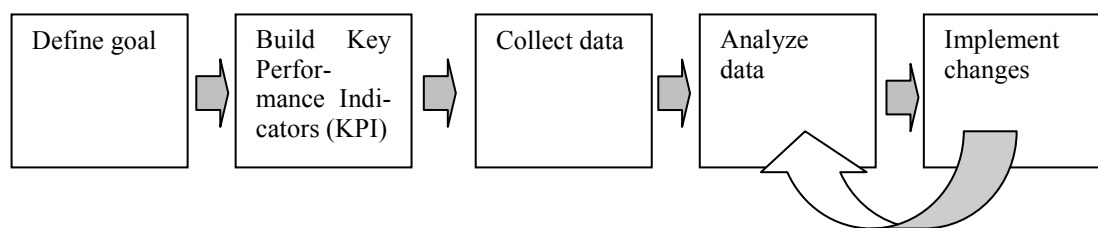
### 3.5 Web analytics

Large and growing area of e-commerce is Web analytics. E-tailers are interested to know the paths users take through their site so they can optimize the browsing and buying experience (Weber, 2009). Also in all campaigns, it’s critical that the company monitor what the customers are responding to (Sweeney et al., 2006). Web analytics means an analysis of clickstream data to understand visitor behavior on a Web site (Turban et al., 2010). The objective of Web analytics is to increase revenues for online businesses (Waisberg & Kaushik, 2009). Collected data can include information like where site visitors are coming from, what pages they look at and how long user remains on a site or a page, how long while visiting the site, or how they interact with the site’s infor-

mation. Collected data can also reveal the impact of search engine optimization, or an advertising campaign, the effectiveness of Web site design and navigation, and visitor conversion (Turban et al., 2010.)

Waisberg and Kaushik (2009) define Web analytics as a science and art of improving websites. They argue that it is a science, because it uses statistics, data mining techniques, and methodological processes, art, because the analyst or marketer has to draw from a diverse pallet of colors (data sources) to find the perfect mix that will yield actionable insights. Improving websites also requires a deep level of creativity, balancing user-centric design, promotions, content, images, and more.

Waisberg and Kaushik (2009) also state that “Web Analytics is not a technology to produce reports; it is a process that proposes a virtuous cycle for website optimization”. They have defined a framework for analyzing website performance (Figure 2).



**Figure 2.** The Web analytics process (Waisberg & Kaushik, 2009, p. 6).

This process will enable a website owner to measure customer acquisition costs against profits, to find how the most profitable visitors are behaving in the website, and to optimize the website to improve its performance or profitability (Waisberg & Kaushik, 2009). Web page Socialmedia.biz has listed dozens of companies that provide services for social media brand management (Socialmedia, 2011).

### 3.6 Measuring marketing effectiveness

Traditional measures of the effectiveness of marketing communications focus on measuring the achievement of the marketer’s objectives following a specific process by which the marketer takes actions and consumers respond (Stewart & Pavlou, 2002). Generally marketers have thought the objectives when planning marketing or especially when starting marketing campaign. Metrics associated with the objectives are used to evaluate the media spend, which can include estimating ROI (Weinberg & Pehlivan, 2011).

The ease of collecting data on the Web has resulted in a proliferation of measures, each derived using a different method. The choice of a Web metric depends on such things as the measurement objective and the advertiser's technological, budgetary, and time limitations (Bhat et al., 2002.) However, many marketing managers who are relatively early on in the process of using and integrating social media there is significant emphasis on traditional marketing mechanisms, such as objectives, metrics, and proof of performance (i.e., ROI) (Weinberg & Pehlivan, 2011). ROI (Return of Investment) is traditionally used method to measure the successfulness of marketing. That is, emphasize the own marketing investment and calculate the returns in terms of customer response (Hoffman & Fodor, 2010).

DeLone and McLean (2004) have adapted the well-established DeLone and McLean 1992 IS Success Model to the metrical challenges of the e-commerce world. The updated model consists of six interrelated dimensions of information systems success and can be used for measuring e-Commerce Success. Six dimensions include: system quality, information quality, service quality, use, user satisfaction, and net benefits.

Bhat et al. (2002) organized the web metrics around five major objectives on the basis of a review of the literature and industry practices. According to them, these metrics and objectives include evaluating the (1) popularity or exposure of a Web site or ad, (2) stickiness (ability of a site to attract and hold users' attention) and the quality of customer relationships, (3) usefulness or relevance of messages to users, (4) co-marketing opportunities, and (5) efficacy of user targeting. Every of these five objectives contain several metrics. As an example, these metrics include: number of visits, link clicks, ad clicks, unique visitors, frequency of visits, or path analysis.

However, those traditional attributes alone aren't adequate anymore because customers are talking to each other and much of it is not happening on the company site (Benson cited by Fisher, 2009). Hoffman and Fodor (2010) focused especially to define relevant metrics for social media applications. They note that social web is a highly measurable environment that can be measured using metrics that are relatively simple to use. Hoffman and Fodor classified the metrics according to three social media performance objectives. They found that important objectives from social media point of view are (1) brand awareness, (2) brand engagement, and (3) word of mouth. In their study social media metrics include for example: number of members or fans, number of comments, -bookmarks, -tweets, or number of retweets.

### 3.7 Summary

As noticed in this chapter, customer acquisition can happen in many ways. Customer can become interested from banner advert, read a review on a social media service, or see a link to company's web page. One of the most efficient methods in generating visibility to webpages is search engines. In this method search engine user will find the link to advertising company's webpage simultaneously with the information search. On all cases, the information provided in these different platforms should be unified and also personalized to own customer segment. Literature also provides different kinds of metrics to be used when evaluating the successfulness of the marketing. ROI is the widely used basis of this kind of evaluation.

## 4. Social media in marketing

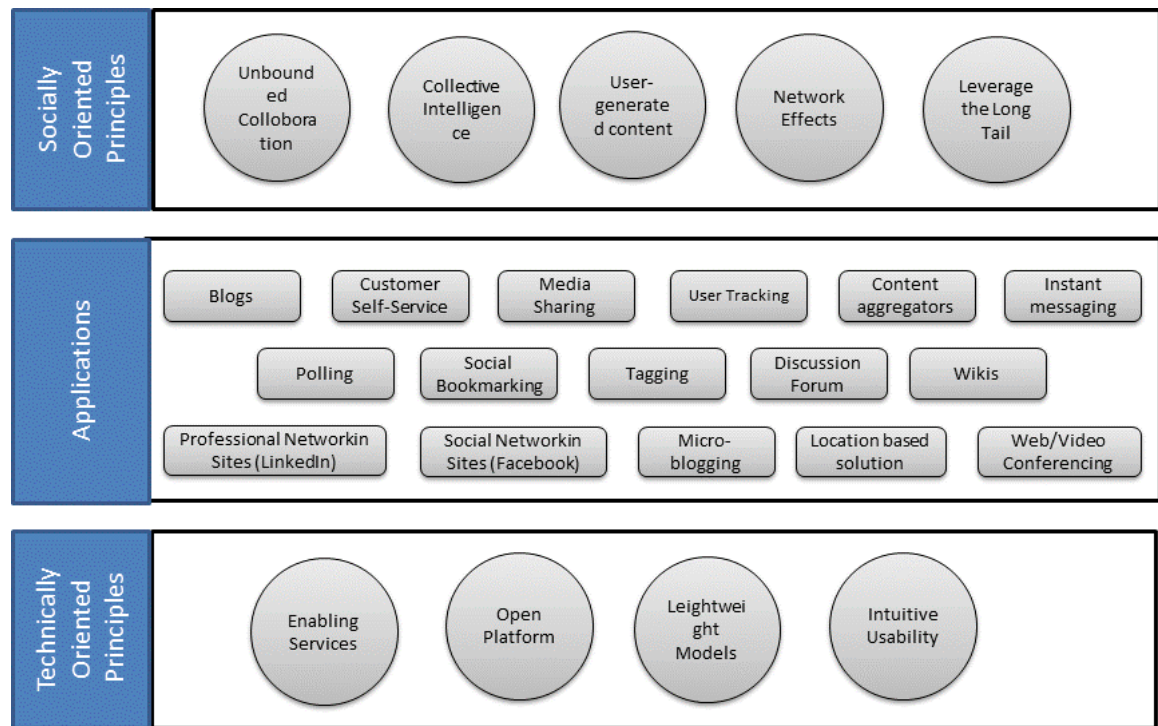
In this chapter special characteristics of social Web in marketing contexts are presented. At the beginning is explained how general purchasing-decision model could be affected by social web. Then social media applications are presented. Finally there is a summary.

### 4.1 Social media characteristics

Marketing has been traditionally targeted to everyone (the “masses”). For example, TV or newspaper adverts are one-way communication aimed to people who sees it. Such marketing can be still successful in brand recognition and for introducing new product or service (Turban et al., 2010.) Today Web 2.0 has the potential to deliver rich peer-to-peer interactions among users, enable collaborative value creation across business partners and create dynamic new services (Ganesh & Srinivash, 2007). One of the major benefits of advertising on a social networking site is that advertisers can take advantage of the user’s demographic information (Turban et al., 2010).

Social media is built of content, different communities and Web 2.0 technologies (Kangas et al., 2007). On the basis of this definition the Web 2.0 can be described along three main dimensions: the Application Types, the Social Effects and the Enabling Technologies. Bebensee et al. (2011) use the generic set of Web 2.0 principles proposed by Knol, Spruit and Scheper, that was based on comparison of the principles proposed by different authors. According to Bebensee and colleagues, Knol et al. refer to these principles as Social Computing principles. Bebensee et al. also identified a number of common Web 2.0 applications, services and techniques from a literature. Figure 3 describes the social computing principles, technically oriented principles, and various social media applications, though not in exhaustive manner. Applications listed in figure 3 are a combination of the social media applications in Bebensee et al. (2011) and the most used Web 2.0 related applications in Finnish companies according to Winnovation (2010).





**Figure 3.** Social Computing principles (Modified from Bebensee et al., 2011, p. 3; Winnovation, 2010).

**Socially oriented principles** refer to seamless generation of information and easy access to it. Users can easily create communities of special interests and further share their experience and knowledge but also engage in a transparent conversation with the industry. The result is a unique form of customer empowerment allowing customers to affect as never before the market power structures and more importantly the shape of the future marketing (Constantinides, 2008.) Principles as well as applications are enabled by a set of Web 2.0 Technologies (Bebensee et al., 2011).

The user is vital factor for all categories of **Web 2.0 applications**, not only as customer but also as content contributor (Constantinides, 2008). There is a wide variety of applications that are either completely based on user generated content or in which user generated content and the actions of users play a substantial role in increasing the value of the application or service (Kangas et al., 2007). The term User Generated Content (UGC) is often used to underline this special attribute of all Web 2.0 application categories (Constantinides, 2008). Applications are discussed more deeply in next chapter.

Easy production and distribution of social media is enabled by a set of **technologies**. Web development techniques Ajax and XML file formats, mainly RSS, play an important role (OECD, 2006). Also lightweight scripting languages like PHP, Perl, Python and Ruby are making the socially oriented principles possible (Bebensee et al., 2011).

Evidence suggests that the vast majority of firms engaging Web 2.0 as a marketing tool are large corporations. According to Constantinides this is not surprising, because they often operate globally where such technologies can provide substantial economies of scale while the availability of financial and human resources make the risk of exploring unknown terrains more acceptable (Constantinides, 2008.)

The degree that a *Small and Medium Size Enterprise* (SME) should engage the social media as active marketing tools depends on the company size, market coverage and the

marketing objectives. In principle all four categories of objectives (using Web 2.0 as PR and direct marketing tool, reaching the new influencers, personalizing customer experience and tapping customer creativity) are presenting very interesting options to SMEs. SMEs could learn from the experiences of larger corporations and engage selectively the social media as part of their marketing strategies (Constantinides, 2008.)

Some companies are specialized to produce social media monitoring services. News Engine Ltd. is a Finnish company that has a service called “SoMeMonitor” which is targeted to produce a general picture and analysis of how the client (e.g., company) is seen in the social media (Somemonitor, 2012.)

## 4.2 A generic purchasing-decision model

From the consumer perspective, a general purchasing-decision model consists somewhat of 5 different stages. There have been diverse models for purchasing-decision process as well. Buying behavior helps to understand consumers buying process. All customers do not follow them in specific order, for example, when the amount of money used for the purchase is relatively small or when shopping in traditional marketplace. These 5 general stages are (Turban, 2010):

1. Need Identification
2. Information search
3. Alternative evaluation
4. Purchase and delivery
5. Postpurchase behavior

Every of these stages consist several activities. According to Rad and Benyoucef (2011) all of these stages can benefit from the use of social web. Table 2 provides an overview of some of the benefits that social media offers.

**Table 2.** Possible benefits of social web in online marketing (Modified from Rad & Benyoucef, 2011 and Turban, 2010).

<i>Stage of the purchasing process</i>	<i>Purpose of the stage</i>	<i>Benefits to gain from social web</i>
Need identification	A marketers goal is to get the consumer to recognize the need of a product/service	<b>Viral advertisement</b> Business can create profiles of their products within an online community to increase their interactions within that community <b>Recommender system</b> Recommender system can be employed to predict the needs of the community and identify similarities in the interest of people in products. For example: "Customers who purchased this also purchased..."
Information search	Customer need to make two decisions: what product to buy (product brokering) and whom to buy it (merchant brokering). Formal reviews in merchant's website can be useful.	<b>Trusted reviews</b> Informal reviews are provided when customers share some opinions on products among their social network of friends. <b>Awareness</b> The presence of the merchant in social networks, whether formally or informally, amplifies the customers' awareness of the merchant.
Alternative evaluation	This stage is where the price and other terms of the transaction are determined. The consumers information search might generate a smaller set of preferred alternatives and the customer returns to previous stages to do more analysis.	<b>Product bundling</b> Recommender system recommends accessories or related products to customers based on their social relations. <b>Group purchase</b> Enabling customers to use their collective power to obtain lower prices. Communities within a social network can be formed to adopt a product, so sales increase and prices decrease.
Purchase and delivery	After evaluating the alternatives, the consumer will make the purchasing decision, arrange payment and delivery.	Merchants can promote the product by enabling customers to post their purchases on their social profiles. Also, merchant may ask the customer to recommend the product to friends.
Postpurchase behavior	Final stage consists of customer service and evaluation of the usefulness of the product.	In social networks customers are encouraged to leave reviews

In Table 2 Rad and Benyoucef point out the reasons, why social web will help both companies to market and customers to make decisions. They also state that social networks are better for review generation than merchants' websites are. Other researches also suggest that network based marketing and viral marketing are more cost-effective than traditional direct marketing (Hill et al., 2006).

### 4.3 Social media applications

Web 2.0 is increasingly seen as a comprehensive platform for Web service applications. Software is no longer delivered as a product but as a service, such as knowledge networks (e.g., Wikipedia) or content-sharing sites which use the Internet as a delivery platform (OECD, 2006.) Social computing mechanisms such as Wikis, Blogs etc. are attracting large scale of end users, resulting in increased collaboration across users.

### 4.3.1 Blogs

A blog is a diary-like personal website that others can comment on (Evans, 2008) and that is chronologically organized (O'Reilly, 2007). Typically blog comprises multiple 'posts', which may contain text, images as well as links to other blogs, web pages or other media related to a central topic that the blog is focused on (Nath et al., 2010). The ability for readers to leave comments in an interactive format is an important part of many blogs (Turban et al., 2010, 113). Many blogs link to other blogs and create social interaction with other bloggers. Main purposes of the blogs are: (1) delivering and/or sharing information, (2) reader attraction, (3) self-expression and self-empowerment and (4) the fourth is social network building and social interaction (OECD, 2006.) Blogs can also be used for testing and finding ideas (Mustonen, 2009). Blogs are often combined with Podcast (i.e., audio or video) that can be streamed or downloaded to user's computer or portable device (Constantinides, 2008).

Commercially blogs can bring publicity and personalize company's relationship with its customers and help to connect with more people (Mustonen, 2009; Turban et al., 2010). Blogs offer a variety of advertisement possibilities. Advertisements can be placed on individual blogs with a large readership or on blog networks either directly or via online advertisement service. Companies can include blogs on their Web pages to promote dialogue. However, it may be difficult to avoid credibility problem if a blog is included to company's Web page. Blogs dealing with a general topic but sponsored by a company are more credible as the content does not deal with a single product or service and as the blogger responsible usually has a private blog and a good reputation (OECD, 2006.)

### 4.3.2 Discussion forums

Discussion forums are the longest established form of online social media that usually exist around specific topics and interest. The growth of Web 2.0 is making web forums (also named bulletin or discussion board) an important data resource on the Web. The strong driving force behind web forums is the power of users and communities (Yang et al., 2009).

Discussion forums are often an additional part of a private or a company web site. The challenge of a discussion forum is to remain interesting to their members by being useful to them and providing services that are entertaining. A company's discussion forum is a good place to discuss or to try out new ideas and let the others to respond. Advertisers can subtly encourage the others to participate, ask to tell their personal opinions or success stories and ask for their opinion about a certain product or service. Discussion forums can be also used for gathering information for product innovation (Mustonen, 2009.)

### 4.3.3 Social networking sites

Social networking sites (SNS) like Facebook and LinkedIn have gained great popularity in recent years. These are sites that facilitate peer-to-peer communication within a group or between individuals through providing facilities to developed user-generated-content (UGC) and to exchange messages and comments between different users (Chaffey et al., 2009.) In the context of E-commerce, social networks emerge since many websites help consumer's final purchase decision by sharing reviews written by previous customers and evaluated by potential customers.

Prior research has shown that WOM effectiveness depends on the strength of ties or the intensity of the relationship among consumers (Granovetter, 1973). Strong ties are perceived as more influential than weak ties, and they are more likely to be used as sources of information (Bansal & Voyer, 2000). Because consumers often cannot determine the source's credibility in an online environment, tie strength online is typically weak (Mesch & Talmud, 2006). Neither is this exactly a social web, because the relationship between "review writer" and "review reader" is a weak one, with no direct interaction between them. However, an authoritative review, though not made by known writer, can be highly influential to customers buying decision (Kim & Srivastava, 2007.)

E-commerce companies have started to collect data about social influence by encouraging customers to write and rate reviews, because consumers are far more likely to believe information and opinions from trusted acquaintances and are convinced to buy by them (Kim & Srivastava, 2007.) Social network sites, such as Facebook, provide possibilities for sharing information and getting connected and most of the users also have integrated these sites into their daily practices. Facebook wall posts offer an opportunity for corporations to show they are responding to or engaging with customers, especially in the case with product issues. When a corporation does not respond to a complaint by a customer, then it appears unresponsive from a customer service standpoint (McCorkindale, 2010.)

WOM has also been found to be a major driver of the growth of an online social networking website. Trusov and colleagues argue that WOM referrals have substantially longer carryover effects than traditional marketing actions (Trusov et al., 2009.) Nonetheless, companies have to take in to account that social networks do not influence always to buy, but they sometimes influence not to buy (Rad & Benyoucef, 2011). According to Hitwise, quoted by Kim and Srivastava (2007), it has also been detected, that social networking sites are driving an increasing volume of traffic to retail sites and are thus becoming a starting point for Web users who are interested in e-commerce.

#### 4.3.4 Photo-, audio- and video sharing

Several services (e.g., Flickr, YouTube) allow users to share, tag, and rate photos, audio or video as well as other content. These services allow users to provide feedback and ratings as well. Everyone can upload their content to services, including marketers that can upload videos using their own name and brand (Mustonen, 2009; Turban et al., 2010).

YouTube is one of the best known social software platforms and it is known as a very popular platform for amateur videos. However, it is also a rather big outlet for commercially produced videos, including product reviews and -adverts. Video ads, as pointed out by Turban et al. (2010), are at the moment growing rapidly, mainly due to this popularity of YouTube and similar sites.

#### 4.4 Summary

In this chapter social media applications were introduced. This chapter explained also characteristics of social media marketing. Traditional marketing is only one direction mass marketing, whereas in Internet, consumers and marketers can interact with each other. It is possible to influence and help customer's purchasing-decision process by using Web 2.0 applications. The success of Web 2.0 is largely based on socially oriented principles that are enabled by a set of Web 2.0 Technologies.

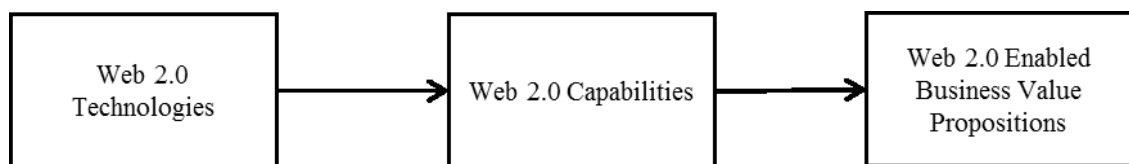
The majority of firms engaging Web 2.0 as a marketing tool are large corporations. How deeply companies will engage the social media as active marketing tools depends on the company size, market coverage and the marketing objectives. Literature also present four categories of objectives to social media: using Web 2.0 as PR and direct marketing tool, reaching the new influencers, personalizing customer experience and tapping customer creativity. Companies should define the objectives they have for social media marketing by doing social media strategy.

## 5. How to deploy and gain benefit from social web

Without technological possibilities offered by Web 2.0, there would be no social media (Mustonen, 2009). In this chapter, the Web 2.0 applications are introduced. First are introduced the two ways that marketers could use when influencing the customer decision-making process: *passive way*, and *active way*. Then it is told how companies could obtain social web services in different departments. After that there is explained how to connect different applications with different purposes, in other words, what kind of applications are more suitable for specific functions. The chapter ends with a summary.

### 5.1 A model for deploying social applications

Business value is created through the adoption of Web 2.0 services. However, capabilities enabled by an information technology provide competitive advantage depend largely upon how they have been implemented and adopted (Teece et al., 1997). This is applicable also to Web 2.0 technologies (Chui et al., 2009). Based on this, business value creation is described in figure 4.



**Figure 4.** Web 2.0 value creation chain (Nath et al., 2010, p. 24).

The best business results come when several Web 2.0 techniques are combined, as is explained later in this chapter.

Kosalge and Tole (2010) studied the benefits of Web 2.0 for businesses and found factors that may influence the adoption of Web 2.0. Benefits for an organization, like collaboration, process innovation, and cost reduction find strong recognition. They also found four underlying factors that appear to influence Web 2.0 adoption. These are Business improvement, Workplace collaboration, Innovation, and Personal use.

### 5.2 Social media strategy

So that the social media marketing would be beneficial, companies need to have a social media strategy that also should be a part of the organization's overall strategy. Strategy basically consists of four different stages: (1) listening, (2) participating, (3) analyzing, and (4) reporting. In strategy companies should also define the goals for social media marketing (Rauhanummi, 2012.) Constantinides (2008) has focused to research two former stages, though the names he uses are different: passive way (i.e., listening) and active way (i.e., participating). He describes how marketers could use these methods when influencing customer decision-making process by means of Web 2.0 tools. The Passive and the Active way are described in the following sub-chapters.

### 5.2.1 The Passive way

The passive way or “Listening-In” means that the Web 2.0 is used as a source of customer voice and market information, by monitoring the social media space: blogs, podcasts, forums and online communities. By passive listening marketers can learn a lot, for example what people say about the firm and its products. Listening to the customer is especially important in order to identify market experiences, new market needs and receive early warnings for product problems: warnings indicating the need to improve, modify or drop products. If properly collected and analyzed the online customer voice can provide precious and high quality information at a fraction of the time and cost required in using traditional market research for this purpose (Constantinides, 2008.)

There are different options available for the finding and getting access to customer’s voice. One option is to read blogs focused to business. For example website Businesspundit lists 75 best business blogs (<http://www.businesspundit.com/75-best-business-blogs-of-2010/>).

Another way is to trace discussion forums, communities or even video sharing sites where exchange of information about the firm’s and competitive products takes place. There are several specialized tools and search engines that could help marketers in locating and gathering this type of content. Commercial help for marketer would be Nielsen Buzz Metrics, a commercial service monitoring several millions of blogs. It can provide marketers with a lot of information as to what is discussed online and even what is said about the company or its products. There are also Finnish service providers, like already mentioned SoMeMonitor by News Engine Ltd.

Alternative low cost solutions are specialized classification tools like Technorati (<http://technorati.com/>), blog search engines like BlogPulse (<http://blogpulse.com/>) or the “index aggregator” TalkDigger (<http://www.talkdigger.com/>) (Constantinides, 2008.) Gillin (2008) suggest that three main criteria when evaluating the importance of blogger or podcaster to PR or marketing program are (1) quality of content on the blog, (2) relevance of content to company or brand, and (3) search engine rankings.

### 5.2.2 The Active way

The Active way means that Web 2.0 applications are used as PR, direct marketing and customer influence tools as well as a means for personalizing the customer experience and tapping customer creativity.

(a) Businesses can do PR by actively engaging in dialog with the customer by launching their own corporate blogs and discussion forums where customers are encouraged to interact and freely express their feelings, ideas, suggestions or remarks about their postings, the company or its products. An alternative and simpler way to engage social media as PR tool is to use content communities - like the video sharing site YouTube - as broadcasting media for distributing advertising material. Commercials on sites like YouTube have the potential to be viewed by thousands or even millions of viewers or virally distributed among users at practically no cost (Constantinides, 2008.)

(b) Another way is to engage Web 2.0 personalities for customer influence (Constantinides, 2008). Some of the network members are more influential than others so this requires companies to isolate those network members worth investing company’s marketing efforts in. Many online shoppers tend to wait for early adopters’ opinions before making a purchase decision to reduce the risk of buying a new product (Lee et al., 2006).



Opinion leaders are network members regarded as having relevant knowledge, and who are probably the first ones to be consulted in regards to purchasing decisions (Doyle, 2007). The objective is to attract the attention of leading blogs or users forums so that they review, discuss, comment on or even recommend the usage of the firm's products (Constantinides, 2008).

Most opinion leaders possess one or more of the following characteristics: (1) part of a social network, (2) good communicators, (3) usually early adopters of products or services, and (4) they have information hungry (Doyle, 2007). Influential people are also believed to be: (1) convincing (maybe even charismatic), (2) they know a lot (i.e., are experts), and (3) they have a large number of social ties (i.e., they know a lot of people) (Goldenberg et al., 2009). Finding the major influencers per product or product category requires some effort but the tools mentioned in the previous section are also suitable for this purpose (Constantinides, 2008).

(c) Engaging social media for personalizing the customer's online experience. This approach offers customers the possibility to personalize their online experiences in an environment created and controlled by the firm itself. This could lead to closer ties between the customer and the firm. Firms like Nike and Disney are experimenting with such tactics as part of their direct marketing. They do this by introducing web sites based on user generated content, encouraging customers to customize them to their needs and often create their own social networks (Constantinides, 2008.)

(d) Tapping customer advertising creativity is likely to result in increasing customer goodwill and customer advocacy. Sinha and Swearingen found that consumers are far more likely to believe recommendations from people they know and trust, i.e., friends and family-members, rather than from automated recommender systems in E-commerce websites (Sinha & Swearingen, 2001). Also user created advertisements are perceived as more credible and therefore more effective than one created by advertising experts. Already many corporations are partnering with talented amateurs who review their products, generate advertising concepts or even create commercials for them. The trust of consumers on peer rather than expert opinion is based on the perception that the former is more reliable since it reflects the genuine feelings of the product user like them. This strategy requires either creating Web 2.0-type corporate web sites where users or customers can place their own product reviews, or creating communities and discussion forums where customers can express their views (Constantinides, 2008.)

Second variant of tapping the customer creativity is to make available online tools allowing the partial or full customization of the company products (Constantinides, 2008).

### 5.3 Applications to apply

Social media is used for different purposes and different social media applications are more suitable for the different purposes. To be truly effective, companies need a strategic framework for developing and implementing the right applications. Companies can deploy social applications in different departments to accomplish a variety of objectives (Table 3).

**Table 3.** Using social applications in different departments (Bernoff & Li, 2008, p. 41).

<i>Manager's role or department</i>	<i>Typical groundswell (Social media) objective</i>	<i>Appropriate social applications</i>	<i>Success metrics</i>
<b>Research and Development</b>	<b>Listening:</b> Gaining insights from customers and using that input in the innovation process	<ul style="list-style-type: none"> <li>• Brand monitoring</li> <li>• Research communities</li> <li>• Innovation communities</li> </ul>	<ul style="list-style-type: none"> <li>• Insights gained</li> <li>• Usable product ideas</li> <li>• Increased speed of development</li> </ul>
<b>Marketing</b>	<b>Talking:</b> Gaining insights from customers and using that input in the innovation process	<ul style="list-style-type: none"> <li>• Blogs</li> <li>• Communities</li> <li>• Video on user generated sites</li> </ul>	<ul style="list-style-type: none"> <li>• Better market awareness</li> <li>• Online “buzz”</li> <li>• Time spent on sites</li> <li>• Increased sales</li> </ul>
<b>Sales</b>	<b>Energizing:</b> Identifying enthusiastic customers and using them to influence others	<ul style="list-style-type: none"> <li>• Social networking sites</li> <li>• Brand ambassador programs</li> <li>• Communities</li> <li>• Embeddable “widgets”</li> </ul>	<ul style="list-style-type: none"> <li>• Community membership</li> <li>• Online “buzz”</li> <li>• Increased sales</li> </ul>
<b>Customer Support</b>	<b>Supporting:</b> Enabling customers to help one another to solve problems	<ul style="list-style-type: none"> <li>• Support forums</li> <li>• Wikis</li> </ul>	<ul style="list-style-type: none"> <li>• Number of members participating</li> <li>• Volume of questions answered online</li> <li>• Decreased volume of support calls</li> </ul>
<b>Operations</b>	<b>Managing:</b> Providing employees with tools so that they can assist one another in finding more effective ways of doing business	<ul style="list-style-type: none"> <li>• Internal social networks</li> <li>• Wikis</li> </ul>	<ul style="list-style-type: none"> <li>• Number of members participating</li> <li>• Increased operational efficiency</li> <li>• Decreased volume of e-mail</li> </ul>

In Table 3 Bernoff and Li (2008) have proposed a way how to utilize social media in different organizational duties and interactions between organizations, customers, and employees. They also use the term *groundswell*, when they actually describe social media. Bernoff and Li identify five objectives for social media: *listening*, *talking*, *energizing*, *supporting*, and *managing*.

Nath et al. (2010) propose a version of six value propositions that are associated with Web 2.0 technologies. These different business values are enabled by combining different Web 2.0 technologies (Table 4).

**Table 4.** Business value model for Web 2.0 (Nath et al., 2010, p. 36).

	<i>Wiki</i>	<i>Blog</i>	<i>RSS and syndication</i>	<i>Aggregation services</i>	<i>Data Mash-ups</i>	<i>Social Net-working</i>	<i>Tagging &amp; Social Book-marking</i>	<i>Multi Media sharing</i>	<i>Audio blogging and Pod-casting</i>
<b>Leveraging Customer Relationship for Growth</b>	X	X				X		X	
<b>Mass Customization (Personalization)</b>			X	X	X				
<b>Education and Training</b>	X							X	X
<b>Knowledge Management</b>	X	X				X	X	X	X
<b>Collaboration</b>	X	X					X		
<b>Project Management</b>	X	X							

In Table 4 Nath et al. propose that it is important to combine more than one Web 2.0 technology in order to get Web 2.0 technology enabled business value. Researchers also state that “management needs to decide what business value they want to gain through Web 2.0 technology and what associated Web 2.0 technologies are needed to for that” (Nath et al., 2010.)

The main Web 2.0 applications related to marketing objectives are summarized on Table 5. In the table XXX means very suitable, XX suitable, and X means that the application is sometimes suitable for the particular purpose.

**Table 5.** Web 2.0 applications as a marketing tool (Constantinides, 2008, p. 13).

<i>Web 2.0 applications as a marketing tool</i>						
<b>APPLICATION TYPE</b>	<b>Passive</b>			<b>Active</b>		
	<b>MARKETING OBJECTIVE</b>	Listening in	PR and direct marketing	Reaching the new influencers	Personalizing customer experience	Tapping customer creativity
	Web logs	XXX	XXX	XXX		X
	Communities	XX	X		XXX	XXX
	Social networks	X	XX		X	XX
	Forums/Bulletin boards	XXX	X	X	XX	XXX
	Content aggregators		XX	XXX		

For many small and medium sizes companies the passive form of engaging the social media as marketing tools is not easily applicable in all its forms. Listening-in to the cus-

tomer's voice makes sense if the company is known enough to the market as product leader, innovator or has reached a level of customer numbers that produces enough buzz and content regarding the company products. Given the small size of SME's and often limited market coverage there is little chance that the majority of them will be able to catch any substantial online customer murmur about their products. However, most SMEs can listen to the voice of their target markets in general: what customers say about competitors, competitive products. They can also look for online information that identifies the need for new products or product modifications and act accordingly. Blogs and online forums are the most important source of such information (Constantinides, 2008.)

## 5.4 Summary

In this chapter the principles how to deploy social media applications to company's infrastructure, were introduced. Customer decision-making process could be influenced either by passive or active way. In passive way social media is used as a source of the customer voice that is listened in. By this way company can learn what people say about the firm and its products. In active way social media applications are used as PR, direct marketing and customer influence tools as well as a means for personalizing the customer experience and tapping customer creativity.

Many social media applications are attracting large scale of end users, resulting in increased collaboration across users. In companies and organizations social media can be deployed on several departments for different purposes. Listening, energizing, supporting and managing are the possible task that social media could be used to achieve better results. Different social media applications are more suitable for the different purposes.

## 6. Previous studies on e-marketing

This chapter introduces four of the more recent studies on e-marketing and especially on Web 2.0 services. These studies were made by three companies or organizations: Social Media Examiner, Winnovation and Association of Finnish Advertisers. These four were selected, because these are relatively recent studies and these represent the status of social media both internationally as well as in Finland. Last sub-chapter introduces one academic study that discuss on special features which are related to business-to-business e-marketing.

### 6.1 Social Media Examiner

Practitioners at Social Media Examiner have recently surveyed more than 3300 marketers with the goal of understanding how companies are using social media to grow and to promote their businesses. The study reveals that company's size and the time company has used social marketing has some influence to company's perceptions. The results reported in this chapter are based on the study made by Stelzner (2011).

Social Media Examiner's study results show that majority (93%) of the companies use social media as a one of their marketing channels and 90% of social media users see it as important to their businesses. Study also show that companies of all size, use mostly 1-5 hours per week to social marketing.

Most commonly used social media tools were Facebook, Twitter, LinkedIn and blogs. In Social Media Examiner's research, company's size was the crucial factor that did affect to the choice of the marketing media. The self-employed (80%) and owners of small businesses (78%) were more likely to use LinkedIn. Larger businesses were more likely to use YouTube or other video services and less likely to use blogs.

62% of companies that use social marketing see improved search engine rankings as a major benefit from social media. Improved rankings were most prevalent among those who've been using social media for a year or longer. The biggest benefit that social media generates, was more exposure for companies businesses (88% of companies reporting that). Improving traffic and subscribers was the second major benefit with 72% reporting positive results. Also in exposure, the longer marketer have been using social media, the more strongly they agree that social media generates exposure for their business.

In future 77% of respondents plan on increasing their YouTube or other video marketing. Also Facebook, Twitter and Blogs are popular services, because 73-75% of companies plan on increasing their activities within these services. Overall 15-20% of marketers planned to keep their activities at the same level within these services. On *forums* and *social bookmarking* 36-40% of marketers plan to increase their activities, while more than one-third have no plans to use these services at all.

30% of marketers plan to increase their use of geolocation services like Foursquare, but 55% of companies have no plans to utilize location-based services. Part of the surveyed companies are outsourcing some part of their social media marketing. Majority of the companies are still doing all themselves, though 28% are outsourcing some services.

Design and development, content creation and analytics are the top three areas for the outsourcing.

Social Media Examiner also asked marketers what other types of marketing they were participating in. The top three included email marketing (81%), search engine optimization (68%) and event marketing (64%) Print display ads (34%) were the most popular from the conventional marketing methods, whereas radio- (15%) and TV ads (10%) are the most unpopular.

## 6.2 Winnovation

Finnish consulting company Winnovation studied how Finnish organizations (companies and public institutions) have adopted Enterprise 2.0, Web 2.0 technologies or social media. Winnovation defines the term Enterprise 2.0 as *the use of social (and people centric) software platforms and solutions by businesses and organizations in pursuit of their goals*. The survey was launched in the beginning of 2010 and 178 people working in Finnish organizations took part to the study. Study can be accessed from the Winnovation website (Winnovation, 2010.)

The results from this survey can be summarized into notice that Finnish organizations and businesses are still early adopters when it comes to the use of Enterprise 2.0 and web 2.0 for revenue growth and innovation. The big problem for Finnish organizations seems to be how to achieve benefits from better interaction with both customers and partners. No less than 54% responded that they have no measurable gains from social media, if the gains are measured from customer collaboration point of view. Most widely Enterprise 2.0 and social media tools are used in the Marketing- and Communications departments. In the year 2010 Finnish companies planned to invest mostly (40%) to social media strategy, while spending in Web 2.0 technology scored the lowest.

The survey also shows that only 36% of Finnish organizations are benefiting from the use of Enterprise 2.0. In addition, 47% of the organizations are somewhat familiar or aware of the concept of Web 2.0 and the possible benefits, but are not addressing it. The biggest barriers against wider adoption of Enterprise 2.0 in Finnish organizations and companies are the lack of understanding among management, corporate culture and insufficient priority.

## 6.3 Association of Finnish Advertisers (Mainostajien liitto)

Association of Finnish Advertisers conducted a research among its own member companies on how social media was used in their marketing and public relations. The Association has about 400 member companies. These members consist of major companies operating across different industries and they account for over 80% of Finland's total advertising expenditure. This survey included 83 companies and was carried out in October 2011. Research is available on the association's website (Mainostajien liitto, 2011.)

The study reveals that only 3% of the companies do not utilize social media in marketing. The most exploited media is Facebook where 60% of the companies has an own page or a group, but only 45% do marketing in Facebook. Approximately 50% of the respondents utilize YouTube and every three Twitter. Also 23% of the companies market for Bloggers.

At the time of the survey only 40% of the companies had made a strategy for social media, whereas 45% was still planning to do one. However, 85% of the respondents believe that social media is playing increasingly important role in the company's business. In spite of this, more than the half cannot say if the social media investments have helped to develop their business.

According to the study, the most important goals for social media utilization among Finnish companies are interaction with customers (75%) and brand management (67%). Also 45% of respondents mention external communication, whereas consumer based innovation and product development stay under 30%. Study also reveals that social media is much more important for consumer marketing than in business-to-business-marketing.

Companies use most Web-analytics (68%) to measure the effects of the operations that they do in social media, while 25% use third party service provider for this purpose. Little less than 20% report that they don't measure the success of their operations at all. Also 25% of the respondent companies say that they do not use affiliate companies for their marketing or communication in social media. Mostly surveyed companies buy expertise from media- and advertising agencies, which are used 40% of the respondents. Less than 20% use agencies that are specialized for social media.

Recent study of Association of Finnish Advertisers reported a slight decrease in both search engine advertising as well as in indexing services available in the Internet. There is, however, growing tendency in "display" based network advertising (Mainostajien liitto, 2012.) Another study made in June 2012 by the Association of Finnish Advertisers reported that 37% of the companies have their own blog within company's website and additionally 13% of the companies have some employee(s) that are blogging in other websites or blog-portals. Majority of the companies do not use either of those. However, 38% of the companies do collaboration with the bloggers who are external to the company. Within the collaboration 55% of the companies send information to bloggers, 42% send product samples, and 30% send invitations to events. Every fifth company uses display adverts in the blogs as well as does affiliate marketing. Every fifth also does collaboration in service- and product development. More than half of the companies do not reward the blogger in any way. Only 6% pays a salary (Mainostajien liitto, 2012b.)

## 6.4 Summary

Previous studies show that companies have gained business benefits from the use of Web 2.0 applications, especially in product and service innovation, more effective marketing, and most important, in higher revenues. On the other hand, in Finland things are quite different in comparison to international situation. Finnish companies are still at the adoption stage, at least based on their much bigger aim to make invests to prepare social media strategy than to make invests to Web 2.0 technologies. Also measurable business benefits are much lower in Finland than they are globally (36% vs. 69%). The use of social media services has lowered the costs of doing business. Companies also see social media as an important to their businesses.

Company's size seems to have some correlation with the social media channel choice. Majority of companies plan to increase the use of social media in their marketing. Geo-location has not made its breakthrough yet, but some companies that are using it already, plan to increase the use. It is still possible to take better advantage of the data that is gathered from social media tracking services, since more than the half of the respondents cannot say, if the social media investments have helped to develop their business.

## 7. Research methods and the data collection

Research methods are divided to quantitative and qualitative methods. The method is chosen based on the focus of this study, and on the quality of the data that is needed to carry out the research. This chapter introduced the methods used in this thesis and the premises behind the selection. In this chapter also the data collection method is introduced more deeply.

### 7.1 Research methods

The intention was to understand current situation in online marketing in Finland. The desired respondents for the questionnaire were manager level employees that could answer to questions dealing with company's marketing practices. This thesis focuses to study marketing that occurs in digital networks and is especially interested in marketing that makes use of social media. Empirical data was collected via Web survey that gathered 18 respondents, which all were Finnish companies in different lines of business.

The study utilizes a survey methodology and is a descriptive research by its nature. To achieve a profound understanding of the phenomenon, the methodological approach selected to this thesis was quantitative research completed with some qualitative questions. These methods need not be viewed as polar opposites (Van Maanen, 1983), but it is possible to integrate quantitative and qualitative methods (Maxwell et al., 1986).

The survey approach refers to a group of methods which emphasize quantitative analysis. In survey research data is collected through methods such as mail questionnaires, telephone interviews, or from published statistics (Gable, 1994.) Collected data is coded and filled into data matrix suitable for statistical treatment (Kent, 2001) and conclusions are derived by statistical analysis (Hirsjärvi et al., 2005). Quantitative research is used to settle questions concerning counts and percentage values, and to find out statistical relationships between separate variables (Heikkilä, 2004).

Survey makes possible to gather large amount of data from many respondents over short space of time and the results can be summarized fairly easily using statistical tools. Another advantage of the survey research is the generalizability of the results; smaller groups of people are used to make inferences about larger groups (Jick, 1983; Bartlett et al., 2001).

Some downsides of survey research are that they are less effective for generating understanding of the phenomena being researched. Some respondents may not take the questionnaire very seriously, which may affect biases to the results (Kent, 2001.) It will also take some time to create a good questionnaire and requires know-how from the researcher (Hirsjärvi et al., 2005).

However, in all surveys, there are two generally recognized types of error: sampling error and non-sampling errors. Sampling error arises from the random variation in the selection of respondents and it can be reduced, most commonly by increasing the size of the sample. Non-sampling errors arise from mistakes made in areas such as the coding and data entry processes of the survey, and through errors committed by interviewers, but also through mistakes made when the questionnaire is written. These mistakes can



be fatal to the success of the survey if a key question or response code is omitted, or respondents are led to give particular answers, but they are not always obvious (Brace, 2008.)

This research contains also qualitative parts in the form of open-ended questions. Qualitative research helps to understand the nature of research subject (e.g., company or client), and to understand the reasons for its behavior and decisions. Qualitative research is usually limited to small number of cases, but these are analyzed as carefully as possible. Usually qualitative research does not try to achieve conclusions that could be statistically generalizable (Heikkilä, 2008.)

Open-ended questions give respondents freedom to formulate responses in their own words. Unstructured questions are useful when there are too many possible responses to list (Kent, 2001.) Mainly three major weaknesses of qualitative research arise from literature: (1) the inability to manipulate independent variables, (2) the risk of improper interpretation, and (3) the lack of power to randomize (Kerlinger, 1986).

Data collection in qualitative research can be done interviews, group discussions, or participant observation where data is isolated as a text or narrative that has been noted or captured on tape or video. Also qualitative data can arise in surveys as a response to open-ended questions (Kent, 2001.)

## 7.2 Validity and reliability

In all research there is also involved the concepts of *validity* and *reliability*. Validity measures how well the study manages to research the questions that were meant to be studied and how well conclusions correspond to the data. Things like data collection method and choice of metrics all affect to validity. Appropriate universe, adequate sample size and high enough response rate help to make the study valid. Reliability stands for the accuracy of results meaning that the results are not random. Usually reliability asks the question: can the data be incorrectly interpreted? If the sample size is small the results are random. Good reliability also stands for the good generalization of the results (Heikkilä, 2008.)

In the case, survey research was chosen, because it is appropriate for descriptive studies of large populations and supports the reliable data acquisition. Web based survey was also convenient method, because of the geographically wide area from the data was collected. In this case the universe included all Finnish companies that helped to make the study valid. Additionally, questionnaire study provided opportunity to compare the results, for example, between the large firms and small firms, or firms situated in South- and North Finland. Survey research also has an advantage that the respondent can answer the questionnaire at their own convenience. Naturally though, a survey approach provides only a "snapshot" of the situation at a certain point in time. In this study the answer rate achieved with the questionnaire was on lower side and this could lower also the reliability of the study. However, interviews done in later part of the study supported both the reliability and validity. In theme interview the interviewer can steer the interview so that he can get the answers to questions that were meant to be studied, which supports validity. Another thing supporting validity was the language of the questionnaire. In this study the questions were written using basic language so that questions would be understandable to all answerers.

### 7.3 Questionnaire designing

There are many things that can go wrong in design of questions or overall questionnaire. This can happen if the questions are interpreted wrong, questions are too difficult to answer, questions are like that to which everybody give the same answer, response categories do not allow respondents to answer in the way that is relevant to them, or questions do not provide a set of categories that are exhaustive, mutually exclusive, and refer to single dimension (Kent, 2001.) That's why it is one of the skills of the questionnaire writer to write questions that have the same meaning to all respondents, and will collect the data in the most accurate way possible (Brace, 2008).

Previous studies have an essential role in quantitative research. Theories and conclusions are derived from these and are used in research planning and questionnaire designing (Hirsjärvi et al., 2005). The questions used in this research were based on three different things: on the academic research needs, and the needs of the study orderer Lumolink and its cooperation organizations.

The survey was conducted via questionnaire. The questions were organized in themes, though all questions were separate. Themes were:

1. Background information of the company
2. Investments in marketing
3. Company's e-marketing in general
4. Use of social media

The questionnaire included structured questions, meaning that the questions were same to all participants, and contained questions with both solid answer choices and unstructured, open ended questions. Also there were some Likert scale questions using 5-point scale (e.g., 1 = Not important at all ... 5 = Very important). The questionnaire consisted of 36 questions in all and it was carried out using Webropol-service.

### 7.4 Data gathering

Within a quantitative survey design, determining sample size and dealing with nonresponse bias is essential (Bartlett et al., 2001). The questionnaire data in this study was gathered from Finnish companies from all over the country. Later the data gathering was continued by interviewing three companies operating in the city of Oulu. The purpose was to conduct in-depth interviews and learn more about how social media is used in the marketing.

The questionnaire was carried out as electronic survey using Webropol survey and analysis software. Responds received an E-mail message containing the link to participate survey. Together with the invitation, focus group also received a cover letter, which explained why the research was conducted, what instances were behind it, and why it was important to answer. The invitations were sent through different networks and not directly to companies to whom invitations were intended and who finally answered them. This also means that it is impossible to say how many companies finally received invitation and how many of those answered it. Nevertheless, the questionnaire was available in April-May 2012 in the web address <http://www.sahkoisestamarkkinoinnista.fi/>.

The questionnaire participants could also take part in the lottery for social media marketing package provided by Lumolink. All answerers who leaved their e-mail addresses were drawn into lottery (see Figure 5).



**Figure 5.** Landing page that was designed for the questionnaire.

The questionnaire was created in Finnish and it was reviewed for the academic validity by an adjunct professor in university.

## 7.5 Interviewed companies

Three companies were interviewed for the study and all interviewed persons were working in a manager level in their companies and were responsible for the company's marketing or were working as CEOs. Interviews were semi-structured, i.e., theme interviews by nature. Two of the interviews (companies A & C) were conducted in the company's business premises and with interviewees' permission the sessions were also recorded. The third interview (company B) was done by phone and only hand written notes were made to save the discussion. All interviews were conducted in Finnish and the cited sections in chapter 7.2's sub-chapters were later translated into English.

## 8. Data analysis

In this chapter presents the empirical data collected in this study. The data was gathered via questionnaire that was published in Webropol-service. The first section of the chapter will present the results from the questionnaire, the second presents the interviews and finally there is a summary of the chapter.

### 8.1 The questionnaire

The questionnaire contained 36 questions and was divided into four sections. In the first section the company background information was examined. The second part explored the marketing investments, the third part investigated how companies generally use e-marketing, and the fourth explored the social media utilization in companies. Same division is preserved also in this report. Finally a total of 18 companies participated in the questionnaire. The small amount of companies that answered made it difficult to do extensive analysis to data. However, in some cases the results are explored more deeply using SPSS Statistics program.

#### 8.1.1 The company

We began by asking the basic questions about the company. The respondents were located in several municipalities: Oulu (6), Helsinki (3), Haukipudas (2) and Kouvola, Lappeenranta, Lumijoki, Nivala, Pori, Savonlinna, Sotkamo (1 in each municipality).

The firms operated in several lines of businesses which are reported in Table 6. Business classification was done according to the official classification by Statistics Finland (Statistics Finland, 2012). A wide sample like this, reaching over several lines of business, gave a good basis to study this topic.

**Table 6.** Line of businesses.

<i>Industry</i>	<i>Total</i>
Wholesale and retail trade; repair of motor vehicles and motorcycles	7
Computer programming, consultancy and related activities	2
Accommodation and food service activities	1
Telecommunications	1
Other professional, scientific and technical activities	1
Rental and leasing activities	1
Services to buildings and landscape activities	1
Public administration and defence	1
Education	1
Activities of extraterritorial organizations and bodies	1
Industry unknown	1

Companies were nearly equally distributed in relation to the number of employees in the meaning that there were both small and big companies. The biggest group consisted of companies that had only one worker. In the other end there were companies that had more than hundred employees in their payroll (Table 7).

**Table 7.** The number of employees.

<i>Number of employees</i>	<i>Total</i>
1	5
2-3	4
4-5	1
6-10	2
11-50	2
51-100	
more than 100	4

The biggest group of respondents was private entrepreneurs (a total of 7). However, the second-largest group did not find suitable category for their position in the company (4). Also some executive directors (3), marketing managers (2), Sales director (1) and project manager (1) were among respondents.

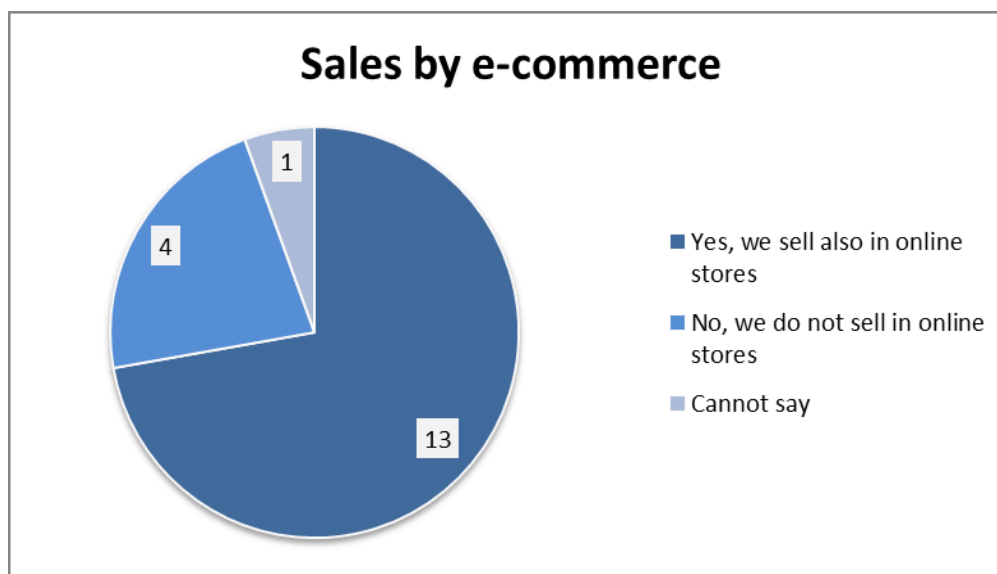
When evaluated by the turnover, companies were divided again to small and big companies as can be seen in Table 8. However, some of the companies did not know or wish to answer this question.

**Table 8.** Revenue of the company.

<i>Revenue</i>	<i>Total</i>
0-50 000 €	4
20 001 - 100 000 €	
100 001 - 200 000 €	2
200 001 - 500 000 €	1
500 001 - 1 000 000 €	3
1 000 001 - 2 000 000 €	1
2 000 001 - 5 000 000 €	1
More than 5 000 000 €	3
Cannot say	3

### 8.1.2 The company and marketing investments

Almost all companies already had web-pages (total of 17), and also the rest considered to acquiring their own (1). For the most part companies were also involved with e-commerce through online shops (Figure 6).



**Figure 6.** The involvement rate to e-commerce.

Results also show that the firms that do not sell services or goods in online store, operate all in a such line of business that makes it difficult or even impossible to do e-marketing, for example, public administration and defence.

Companies were asked about annual marketing budgets. We separately asked the general marketing budget and the portion of the budget that is spend especially for electronic marketing during the time of a year. This data is described in Table 9.

**Table 9.** Marketing expenses in euros and corresponding number of companies using the amount.

	<i>How big is the company's marketing budget annually?</i>		<i>How big part of the annual marketing budget is spend to e-marketing?</i>	
	Frequency	Cumulative Per-cent	Frequency	Cumulative Per-cent
<b>0 - 1000 €</b>	3	16,7	4	22,2
<b>1001 - 5 000 €</b>	2	27,8	5	50,0
<b>5001 - 10 000 €</b>	1	33,3	4	72,2
<b>10 001 - 50 000 €</b>	6	66,7	3	88,9
<b>More than 50 000 €</b>	4	88,9		
<b>Cannot say</b>	2	100,0	2	100,0
<b>Total</b>	18		18	

When these results are analyzed one can notice that over half (~67%) of the companies spend 10 000 euros or more to marketing. Instead, for e-marketing, majority of the companies (~72%) spend 10 000 euros at most.

Six companies reported changes in their marketing budget this year when compared to the previous year and seven companies reported that they used the same amount of money. Five companies reported that they cannot answer to question. When the company had a change in their marketing expenses, the tendency was to raise the budget. Four companies reported 0-10% change in the budget, 2 companies in each 11-30% and 51-100% change, as well as one company about 31-50% changes in their marketing budget.

When asked what traditional marketing channels firms use, two thirds of the companies trust that WOM circulates the information about the company and its products or services among people (total of 12 answers). Printed media was equally popular marketing media (12), outdoor advertising (7), TV- and radio (6 answers in both), and one company paid a visit to local media and travel agencies.

The results show that e-marketing has a very important role in the companies' marketing strategy. This question was investigated using five point Likert scale that ranged from (1) "not important at all" to (5) "very important". Altogether, fifteen companies valued e-marketing highly (Table 10).

**Table 10.** Significance of e-marketing in company's marketing strategy.

<i>Significance of e-marketing</i>	<i>Not important at all</i>	<i>Less important</i>	<i>Can't say</i>	<i>Important</i>	<i>Very important</i>
Number of answers	0	1	2	6	9

The biggest challenge companies had in e-marketing was acquiring visibility. Almost as important difficulty was how to reach the target group. Challenges are described in the Table 11.

**Table 11.** Challenges in e-marketing.

<i>Challenge</i>	<i>Total</i>
Acquiring visibility	12
Reaching the target group	10
Choosing the right marketing channel	7
Evaluating marketing performance	7
E-mail advertising	5
Search engine optimization	4
Cannot say	3

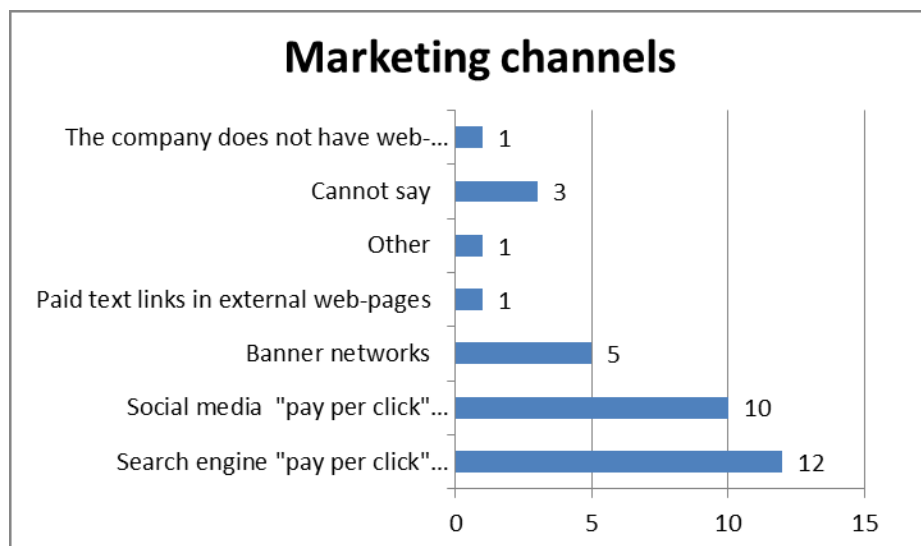
Nine companies out of eighteen reported that they do permission marketing using e-mail. When the companies were asked to evaluate the efficiency of their e-mail marketing, the results were spread. Only one company considered it as highly efficient, while five companies thought that it had been reasonable efficient. Four companies were not sure and also four considered e-mail marketing as rather inefficient. One company thought it had been highly inefficient.

The companies that participated to this study reported that most visitors to their home pages come from search engines or direct URL-address (both 10 answers), from linked web-pages (6), or social media (5). Two companies receive its visitors as a result from e-mail marketing and three companies cannot say the route the visitor use. Facebook is also reported as a source of visitors. One participant commented the poor features of the web publishing system that only gives the number of visitors, apparently not the sources.

### 8.1.3 Electronic marketing strategies

In this research the participants were asked also their use of different paid marketing channels. When the companies were asked have they sent the company's reference information (links) to any indexing services available in the Internet, most (10) answered that they had not, while four had done that. Also when asked had they participated in links exchange with some external party, twelve answered no, while four reported that the company had done that. The rest did not know the answer, or the company did not have the web pages.

As Figure 7 shows the most widely used paid marketing channel was search engine "pay per click" advertising (e.g., Google Adwords). Almost equally used channel was "pay per click" advertising in social media (e.g., Facebook advertising).



**Figure 7.** The usage of different paid marketing channels.

Ten companies out of eighteen had tried to improve the company's position in the market by doing search engine optimization. Results also show that some companies use several tools to analyze the network traffic in their web pages, because the total number of analyzing service users is bigger than the number of participants. In this study the most used analytical tool was Google Analytics. Total of 12 companies used Google's tool, while Snoobi was the second, and Google Webmaster Tools the third. Also the server log-files were used to analyze the Web-traffic. Additionally, more than half had not used external help from any e-marketing service provider.

The companies were also asked if they do marketing in some other country than in Finland. The results show that among the participants eight companies do international



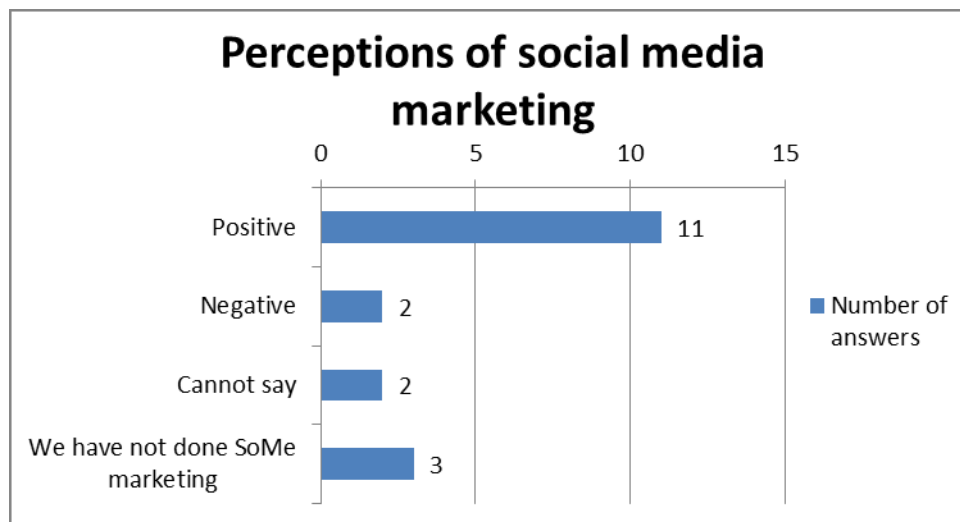
business. The most popular marketing destination was Russia, but also central Europe was mentioned several times as well as some firms market globally to all over the world. The most popular channels when marketing abroad were different social media, e-mail, paid advertising in search engines, and Internet pages.

When the companies were asked do they follow competitors in e-marketing, almost all replied that they do. In all, fourteen companies reported about monitoring, while four companies either did not do this or cannot answer the question. The most popular media for tracking were: social media (total 15), monitoring the competitors web pages (total 15), by the Blogs (total 6), and by using search engines (e.g., Google Alert) (total 5).

#### 8.1.4 The company and social media

After the general e-marketing questions the companies were asked how widely they utilize social media. The firms use several social media services as marketing channels, mostly Facebook (16), Twitter (7), LinkedIn (4), and Pinterest, Google+ and VKontakte (1 answer in all). Some firms were still starting either the businesses or the social media utilization. Only two companies replied this question “Cannot say”.

The experiences on using the social media as marketing channel are mostly positive (Figure 8).



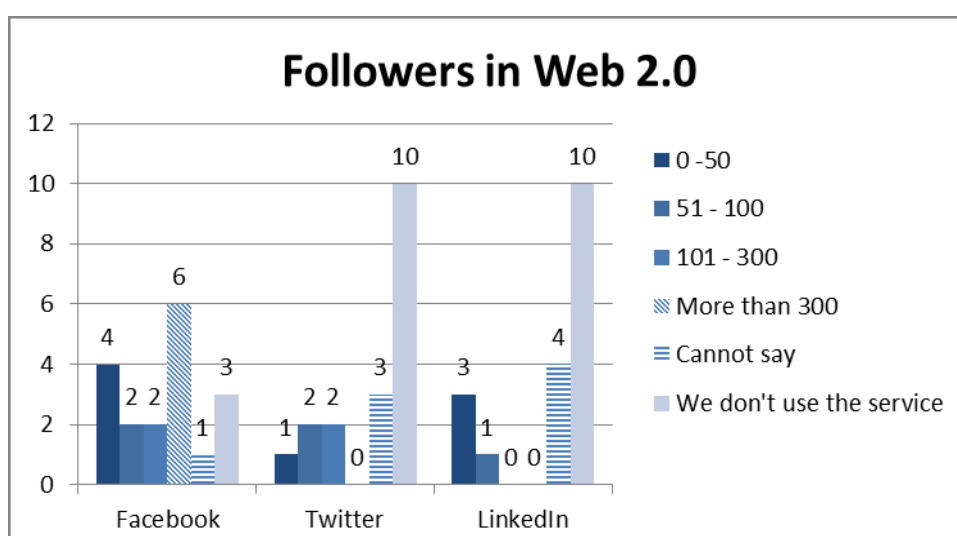
**Figure 8.** How companies see the social media as a marketing channel.

Despite of the positive experiences, the companies seems to be uncertain whether they have the needed skills to do successful social media marketing. Situation is described in Table 12.

**Table 12.** How do you estimate the knowhow in your company to implement social media marketing at the moment?

<i>Skills to do SoMe marketing</i>	<i>Poor</i>	<i>Less poor</i>	<i>Can't say</i>	<i>Good</i>	<i>Excellent</i>
Number of answers	1	4	10	2	1

The questionnaire also asked the number of followers (or fans) the companies have in different social media services. Special interest was given for the Facebook, Twitter, and LinkedIn. The results (Figure 9) show that Twitter and LinkedIn were the least used services among the investigated companies. However, some firms have hundreds of followers in Facebook.



**Figure 9.** The total sum of people to follow companies in different social services.

When the results are analyzed more deeply, we can notice that the companies which have hundreds of followers in Facebook, come from all size groups if they are measured by revenue (Table 13).

**Table 13.** Crosstabulation chart comparing the number of followers in Facebook and the company's revenue.

Company's revenue	How many followers does your company have in Facebook?					
	0 - 50	51 - 100	101 - 300	More than 300	Cannot say	We don't use the Facebook
0 - 50 000 €	2	1	0	1	0	0
100 001 - 200 000 €	0	0	0	1	0	1
200 001 - 500 000 €	1	0	0	0	0	0
500 001 - 1 000 000 €	0	0	1	1	0	1
1 000 001 - 2 000 000 €	0	0	0	1	0	0
2 000 001 - 5 000 000 €	0	0	0	0	0	1
More than 5 000 000 €	0	1	0	1	1	0
Cannot say	1	0	1	1	0	0
Total	4	2	2	6	1	3

Participated companies were asked what kind of expectations or hopes they had for the period of next six months. The results show that the companies expected most that the company's visibility would grow comprehensively (total of 14 answers). Some companies (6) expected especially that they would gain international visibility. Companies also expected that they will have more followers in social media (12). Results show that part of the firms (total of 6) expected that they will start using new electronic marketing channels (e.g., e-mail marketing or social media), and some (total of 7) planned that they will acquire external help for e-marketing (e.g., by outsourcing or acquiring consulting). Companies also planned to invest more in e-marketing (6), and also to invest in their employees' knowhow in e-marketing, for example by providing training (5). Results show that one company plan to invest less to e-marketing. Two participants did not have any special expectations for the near future.

In the end of the questionnaire the participating companies were also asked to add informal comments on e-marketing or bring up the problems they had faced. The answers for this question are listed below.

- How to get information about the new possibilities
- It is problematic to find the sufficient time resources, because marketing in social media requires a lot of working time
- Electronic marketing to Russia requires special skills
- B2B marketing is challenging.

One participant also believed that nobody really reads them, but did not specified what did he exactly meant.

## 8.2 Interviews

Second part of the study involved interviews where three companies were asked about their e-marketing. The purpose was to get deeper knowledge about the difficulties in social media marketing. Interviewed persons were all manager level personnel in their companies and had the main responsibility for marketing. Interviews lasted approximately 25 minutes. The phone interview was, however, shorter and lasted circa 10 minutes.

Interviews did not reveal anything that would be really new to this study though. Mainly they did strengthen the understanding that was already inherited from the questionnaire. In the interview results, companies A and B are grouped together, because these companies were somewhat similar. Company C is presented separately as the company did not do marketing for themselves.

### 8.2.1 Presentation of the companies

Company A is a small size company providing network services for other companies and housing companies in Oulu region. The interviewed person was working as sales director and was mainly responsible for the company's social media marketing. Company has used other marketing channels too, for example, radio, marketing in different happenings, Google Ads and LinkedIn.

Company B belongs also to SMEs companies. Company provides home help services for households, has a homepage and they also do Facebook marketing actively. Company also uses other marketing methods, for example, flyer marketing in different happenings and customer recommendations. Company also uses paid ads in Facebook.

Company C is also small company that provides marketing solutions for companies and even builds websites. Especially the company helps its customers in social media marketing. The company itself did not do much marketing for their own. Nevertheless, the company was interviewed, because they had a good understanding of the challenges and overall situation in e-marketing, thanks to company's field of business.

### 8.2.2 Companies A and B

Both companies A and B used social media actively and it was their primary marketing channel. Company A also used traditional marketing, but both traditional and digital marketing are used as own entities. Company A has used different marketing channels for different purposes. For example radio for making brand to known to people.

*"We are starting to reduce and quitting radio advertising... we have been doing radio advertising mainly to get the company's name known to people." (Company A)*

*"We are advertising also in Foursquare. Probably it would work better, if we had a brick and mortar store to where we could draw folks, but as we are B2B-company... But perhaps it is like, that we are to be seen among forerunners... a certain brand image benefit we are looking from there..." (Company A)*

*"We try to make sure that our company's webpage could be found among search results. Nothing paid though." (Company B)*

*Facebook appearance is related to company's brand...developing customer relationship so that customers like us, and customers probably get the services preferably from those they like. (Company B)*

Companies' motivation behind their activism in social media is that by using digital marketing, they can get network traffic to company's website and in there persuade potential customers. Company B used also paid advertisements in Facebook. Company used the click based measurement to assess the effectiveness of the particular add, and ineffective adds were replaced with a new one.

*"Some months ago we thought that there would be no much use of social media in B2B marketing. But now it has, in a way, become clear that in principle, there are same people revolving around that are making decisions in the companies too, especially IT-decision-makers to whom, for us, it pays to be seen." (Company A)*

*"What we start to pursue next is to make company's identity clearer to our customer base. For that purpose social media is perhaps better and more cost effective tool than traditional advertising would be..." (Company A)*

*"The purpose in Facebook marketing is to lead the network traffic to company's website. To same extend we use Facebook for informing the customers. It is used also as a reminder, e.g., we remind about holidays." (Company B)*

Company A had not purchased help from the outside of the company for their marketing, mainly because they wanted to keep marketing expenses within some limits. However, by using social media they had achieved understanding, how they should use and be seen in social media. On the other hand, company B had attended training on social media marketing.

*“It has been a kind of searching, exploring, accumulating of experiences...perhaps it has been like this more with Facebook than others... we have done some changes, seen what a difference those make and then made changes again...” (Company A)*

*“Many companies after all do fail in their marketing in Facebook. And I myself wanted to be on winning side.” (Company B)*

An interesting finding from a questionnaire was that companies’ representatives reacted positively to social media marketing, but were dubious about their own skills to do marketing. Interviewed companies were not surprised by this finding.

*“I can largely agree with the finding; in particular earlier it was little bit challenging to find the right way to take advantage of social media” (Company A)*

Measuring the results of social media marketing has been challenging task for company A. Also the question how to marketing in the right way in SNSs has been an issue. Thanks to the training, company B had not had any special problems in their social media marketing.

*“The reason why I like to use digital channels is the considerably better options to get data out from there than is with traditional channels. Perhaps we have not received all the efficiency data we would like to have. Measuring is challenging, little by little we are finding the right ways to do that, it has perhaps most of all been the field, where support or help would be desired, how to do it.” (Company A)*

*“Another issue was the marketing effectiveness in general - do we know how to communicate in the right way. Maybe the biggest question has been, whether social media is the right place for B2B-company...but now we have found the way be seen that is suitable for our kind of B2B-company.” (Company A)*

*“Of course we can see statistics on how many have clicked the ad in Facebook... We also ask our customers how they heard about us or about campaign and if nobody answers Facebook, we can think that there is some problem in Facebook marketing.” (Company B)*

Both companies use approximately an hour in a week to do social media marketing, though there may be variation between weeks.

### 8.2.3 Company C

Company C did not do marketing for themselves, but helped other companies in their marketing. In the interview they told about experiences they had had with customer cases. Some of the company’s clients come when they are just planning social media marketing, others have already tried it. There is a difference according to what kind the company is - is it B2B or B2C-company. This is also one challenge in social media marketing.

*“Of course, for a company that has consumer customers, Facebook and other social media channels work better. For B2B-companies Facebook is more challenging and probably some other channel than Facebook might work better. Companies must always think, what is the best social media channel for them and what their target group is.”*

Also regulations and a lack in know-how are challenges for companies and reasons to acquire third party help.

*“If we are thinking Facebook, there is a guideline for promotions, some are following them and some not, but usually those who know those exists wants to follow them. And if the company wants to promote themselves, necessarily they don’t have the needed knowledge, for example, about Facebook applications. If they want to organize a lottery and acquire new fans or likers and by that way enhance the visibility of the company, they need help from the outside. This is a common situation.”*

Measuring the results is some sort of a problem.

*“Though the company had plenty of fans, they wouldn’t bring any sales per se... it is hard to say how many of those will become buying customers. Of course it is possible to acquire much information about visitors from Facebook... basically general information. Facebook marketing requires persistence, there are no instant prices.”*

*“If the company starts marketing campaign, usually there are also specified goals. The results depend also on how much company invests money to the campaign. Facebook ads are usually part of campaign. With bigger marketing budget is possible to get also better results.”*

Social media marketing can work as the only marketing channel for some companies. Also social media can already substitute some previously used marketing methods.

*“On my opinion social media channels can substitute e-mail marketing when used in informative purposes. It is much simpler to substitute e-mail marketing, for example, with Facebook. Finnish people also widely use Facebook, especially in some age groups.”*

### 8.3 Summary

The results of the survey indicate that e-marketing is important for the participated companies. When the traditional marketing and e-marketing are compared, companies still spend much more on traditional methods. Nevertheless, many paid online marketing methods are also used. Most popular traditional methods are WOM and printed media, and on paid e-marketing methods search engine- and social media “pay per click”-marketing are the two most popular.

Half of the companies have improved their search engine rankings by doing search engine optimization. Search engines are also the biggest source of visitors to enter company’s website, besides of direct traffic. Companies also use services to monitor the website traffic. The most widely used analytical service is Google Analytics. On the other hand, companies use e-marketing methods to monitor their competitors. Most used services for the monitoring purpose are social media and competitor’s websites.

The companies who participated to this study have positive experiences from social media marketing. On the other hand, companies seem to be uncertain whether they own the skills that are needed to do effective social media marketing or not. In spite of this uncertainty, approximately only every third company has used third party service provider to help in e-marketing. However, during the next six months little over a third of the companies are planning to acquire help for their e-marketing, for example by outsourcing or purchasing consultant help.

## 9. Research results and discussion

This chapter answers to research questions by analyzing and summarizing the results acquired in this thesis. This chapter also discusses on the limitations as well as the possible future study topics. Intention in this thesis was to explore how Finnish companies do e-marketing and use social media applications in their marketing, and how these can be used effectively. Theory-part of the thesis also provides practical guidance on how to implement e-marketing in companies.

### 9.1 Findings

The search for the research questions answers started by doing the literature review. First, it was started to look for a definitions for the different forms of electronic marketing. E-marketing is a really wide area of applications, channels and methods with the purpose to somehow affect the customers, or even co-create value with the customers, using digital media and digital marketing.

Second, the other main point in this thesis “the social media” was defined. There was no just one definition for social media, but social media is a constantly changing group of platforms that gets a major portion of its content from ordinary users. Social computing involves three sectors that are prerequisites social media: (1) socially oriented nature of the media, for example unbounded collaboration and user-generated-content in service production, (2) social applications and (3) the technologies that make these applications possible.

The questionnaire was settled to answer the principal research question. Information was acquired about companies’ marketing in general and in electronic marketing and what social media applications companies use. Data was also acquired on other things. For example, the questionnaire clarifies how companies use data analytics, in other words, how companies follow customer traffic. One important part of the study was to find out challenges companies face in their marketing.

The principal research question of the thesis was as follows:

**How Finnish companies do marketing, e-marketing and use social media applications and how different social media tools can be deployed for the benefit of the company?**

This question was divided into following three sub-questions. These are discussed next. The first question is answered mainly based on the literature presented in the theory part of this study. The two other questions are answered based on the data collected through a survey and interviews.

**RQ1: How can different marketing techniques available in e-marketing help companies in their marketing?**

From the organizational point of view both traditional media and the Internet are important marketing channels. These media, however, differ significantly from each other by the properties. Traditional media (e.g., television, radio and print) are still suitable to

evoke the interest of the masses. Data collected in the questionnaire showed that companies still spend much more for traditional than for e-marketing. Social media has nowadays attracting masses of potential consumers.

There are a number of strategies, methods and applications that companies can use to make their message known to the people. Advertising is the most visible form of e-marketing and advertising is also one of those things that have largely benefitted from the Internet. Advertising can happen through several channels including e-mails, social media, more traditional banner advertising or search engine advertising. Common to all marketing techniques is that marketing can reach large number of targeted consumers. Some of these forms of marketing can contain text, audio or animation. Additionally, online ads are frequently cheaper than traditional ads. Also other technologies can be greatly beneficial.

It is clear that social media is very powerful media in marketing use. Schimmel and Nicholls (2005) stated that because WOM takes place in in social context, social media services are in fact the most influential factors when making decision on online shopping. Several studies in the academic WOM literature have suggested that companies should actively try to create WOM communication (e.g., Liu 2006, and Larson 2009). Company should be engaged in this communication sharing, positively influence the message, and facilitate action and brand awareness through integrated viral marketing strategies (Larson, 2009). Trusov et al. (2009) present the question whether company stimulated WOM activity (fertilized word-of-mouth) is substantially less effective than organic word-of-mouth. The question is left open in the study and would provide an interesting topic for additional studies.

The degree that SMEs (Small and Medium Size Enterprise) should engage the social media as active marketing tools depends on the company size, market coverage and the marketing objectives (Constantinides, 2008). Previous study shows the factors that may influence organizations adoption of Web 2.0. These are benefits like collaboration, process innovation, and cost reduction (Kosalge and Tole, 2010.)

The survey results revealed that companies commonly use analytical tools. It is even critical for the company that they monitor what the customers are responding to marketing, especially during campaigns (Sweeney et al., 2006). The most popular tool according to the questionnaire results was Google Analytics. Web analytical provide tools to analyze the clickstream data and understand visitor behavior on a Web site (Turban et al., 2010). This collected data contains also the statistical numbers that were defined by Bhat et al. (2002). Data can include information like where site visitors are coming from, what pages they look at and how long they stay on a site or a page, how long while visiting the site, or how they interact with the site's information. Collected data can also reveal other interesting facts like the effectiveness of Web site design and navigation (Turban et al., 2010.)

**RQ2: How widely companies use social media marketing in relation to traditional marketing and what are the most popular marketing media?**

The findings from the survey indicate that majority of the companies in Finland are currently using social networking services to achieve their marketing objectives. Either there is no evidence that the companies were reducing the use of social media.

The data shows that companies use SNSs primarily to guide the network traffic to the company's website, to general customer relationship management, advertising, making the brand image clearer and known to the wider public, or Companies use SNSs as informing channel. This pattern is consistent with previous literature. Market research re-



ports cited by Michaelidou et al. (2011) suggest that firms use social media, including SNS, to build direct relationships with customers, increase traffic to their website, distribute content, collect feedback from customers, and generally to support their brand. Consumers can even participate in innovation by giving feedback or making suggestions for the company concerning service or product they are using (Mustonen, 2009).

Branding is a valuable differentiation strategy and managers should strive to establish brand awareness as a first step towards making their brand stand out from that of the competition (Michaelidou et al., 2011). It has been detected that social networking sites are driving an increasing volume of traffic to retail sites (Kim and Srivastava, 2007).

It appears that there is limited understanding of important distinctions among various types of social media (Weinberg & Pehlivan, 2011). Literature suggests that as companies develop social media strategies, different social platforms, such as YouTube and Facebook, are too often treated as stand-alone elements rather than part of an integrated system (Hanna et al., 2011). Also the same information that the company post on Web sites could be included on Facebook pages (McCorkindale, 2010). Based on data, companies see the social media as a convenient tool to monitor competitors.

Our questionnaire did not directly investigate whether marketers use different social platforms in jointly to propagate marketing messages. One interviewed company reported though that they have used traditional marketing channels especially when making the company's name known to the public. Additionally, the study by Trusov et al. (2009) implies that traditional marketing can lead also to indirect benefits, for example, when marketing events trigger WOM, which then leads to the wanted action from user's side. They also report of more lasting effect of WOM. An increase in WOM continues to impact new member signups for three weeks while traditional marketing effects last for three to seven days (Trusov et al., 2009).

The questionnaire results reveal that WOM and printed media were equally important marketing media among Finnish companies. From all social media applications Facebook was by far the most popular media and the Twitter was ranked as the second most popular social media application. These results are similar with the Association of Finnish Advertisers -study, where Facebook also had the number one place as the most popular service in social media.

Some of the participated firms were still either starting the businesses, or the social media utilization. In this sample there were three companies (~17%) that were not using any of the asked social media applications (Facebook, Twitter, or LinkedIn). This result is actually slightly different from previous studies, because the study made by the Association of Finnish Advertisers (Mainostajien liitto, 2011) reported that only three percent of the firms do not utilize social media in their marketing, however, because of the limited number of the participants in this study, it is not useful to make any bigger conclusions on this. The results also reveal that the companies that trust WOM as their only traditional marketing media utilize at least Facebook (from SoMe-marketing side) in their marketing. Additionally, the companies that use printed media, are more likely using other paid marketing methods too (e.g., outdoor marketing).

**RQ3: What are the difficulties and future plans companies have in relation to e-marketing?**

The questionnaire data showed that companies had positive attitude toward social media marketing. However, companies were unsure whether they possess the needed skills to do SoMe-marketing effectively. Based on the interviews the reason for this is related to the skills and experience the companies have in SoMe-marketing. The data revealed

several challenges that might be the reasons for the uncertainty. Participated companies perceived as a challenging to acquire visibility, challenging to reach the target group, challenging to choose the right marketing channel or evaluate marketing performance. Time shortage was also a problem. Necessarily either companies do not have the knowledge of how they should communicate with customers, e.g., in Facebook or other SNSs. One common challenge and reason to acquire third party help was that companies may not know how to carry out paid advertisement campaign in Facebook. Many of those above mentioned challenges are such issues though, that learning will happen and company may develop its own way to use SNSs.

Many of those challenges are very similar than those mentioned in previous literature. For example, executives may be reluctant or unable to develop strategies and allocate resources to engage effectively with social media (Kietzmann et al., 2011). Hanna et al. (2011) note that although companies recognize the need to be active in social media, they do not truly understand how to do it effectively, what performance indicators they should be measuring, and how they should measure them. Empirical data confirms this as almost all of the participated companies were uncertain about their skills to do social media marketing. Overall, in spite of this uncertainty among Finnish companies, approximately only a third of the companies have used third party service provider to help in e-marketing.

Interesting finding from the empirical data is also that some companies (B2B in this study), may, as opposed to general impression, be unsure whether or how SNS could help brands. This result is in line with Michaelidou et al. (2011), who concentrated on B2B-companies in their study. Whether this kind of uncertainty is a problem especially among B2B-companies is left without answer in this study. According to Michaelidou et al. (2011) the vast majority of companies using social networking service (SNS), are not evaluating the effectiveness of their SNS in supporting their brands. Consequently, marketing managers are not able to provide quantified data that illustrate the importance of SNS. Michaelidou et al. present this as a reason which might explain why professionals remain skeptical about SNS as an effective marketing tool (Michaelidou et al., 2011.) Other e-marketing challenges in SME-size B2B marketing firms were “security”, “implementation”, “expertise”, and “lack of resources” as a fourth challenge (Chong et al., 2010).

Our questionnaire investigated the challenges in the field of whole e-marketing. Collected data reveals that there is also other than just social media challenges that do puzzle Finnish companies. The biggest challenge among Finnish companies was *how to acquiring visibility*. Another big challenge was *how to reach the target group*. Also *choosing the right marketing channel*, and *evaluating marketing performance* were challenges for marketers.

For evaluating marketing performance in social networks, the existing metrics are not enough. Those traditional attributes alone aren't adequate anymore because customers are talking to each other and much of it is not happening on the company site (Benson cited by Fisher, 2009). In order to measurable e marketing performance, companies should have objectives specified for the marketing. For the Internet marketing measurement Bhat et al. (2002) has defined a group of marketing metrics which include statistical numbers derived from the visitor movements, for example, number of visits, link clicks, ad clicks, unique visitors etc. Those traditional attributes, what Bath et al. use, are widely available from Web Analytics. Hoffman and Fodor (2010) have introduces three important objectives for social media that can be also used as a basis for the metrics to measure social media successfulness. These objectives are *brand awareness*, *brand engagement*, and *word of mouth*. Previous studies also state that social media objectives can differ from traditional media objectives. With social media, organizations

may talk to customers or generate positive word of mouth where customers talk to one another (Weinberg & Pehlivan, 2011).

Additionally, as literature and the interviews show, metrics that end by measuring, e.g., the reach of viral campaign, only tell how consumers responded to that particular campaign. Metrics cannot tell whether any of those consumers try products and become buying customers.

Previous literature also indicates that social media activity is tremendously time-consuming (Kietzmann et al., 2011). Empirical data also confirmed that for some companies it may be difficult to allocate time for doing social media marketing. In previous Social Media Examiner -study (Stelzner, 2011) was found that majority of marketers (58%) use social media for 6 hours or more each week, and more than a third (34%) invest 11 or more hours weekly.

Our research also revealed that it is not always easy for the companies to find information on different e-marketing methods available. Presumably, it is not either easy to find the methods that are suitable for the certain company. Nowadays the web is a global medium that can be used to do marketing to other countries, even globally. This may lead to some difficulties. In this study we received an answer complaining that it requires special skills to market to Russia.

Though the respondent did not specify what are the special skills that are needed, previous researches show that there is cultural differences that should be taken into account, even if marketing to speakers of the same native language (Nantel & Glaser, 2008). According to Nantel and Glaser, mother tongue not only influences on people's cognitive schemas but also on the way they approach and solve tasks. Also cultural dimensions of *low-context-* and *high-context cultures* established by Edward Hall in 1976 affect to how people perceive the layout and appearance of websites. Presumably this applies also to marketing messages that are targeted for the consumers living in different cultures.

Several answers show that over the next six months companies are interested or already planning to get help for their SoMe marketing from outside of the company, for example by outsourcing or getting consulting help. This is comparable result to Social Media Examiner -study, which reported that approximately 28% of the companies were planning to outsource some part of their e-marketing. Results we got also show that one third of the participants plan to start using new media in their e-marketing and one third is also investing more in e-marketing. This is only a fraction to the results of Social Media Examiner, where more than 70% of the companies reported that they are planning to increase activities within social media services (e.g., YouTube, Facebook or Blogs). For example, though more than 90 % of the companies were already using Facebook, 75 % were still planning to increase their activities in that particular service. Same kind of difference is also apparent when asked about training. Also in our study only few participants (~28%) were planning to invest in training when compared to 70% of marketers to seek more knowledge about Facebook and blogging (Stelzner, 2011).

## 9.2 Limitations

The study has some limitations that at the same time also create opportunities for future studies.

There were only 18 participants in this study. Naturally, this is only a very small proportion of the entire population of Finnish companies. This makes it difficult to generalize the results to all Finnish companies, though the participated companies represented

Finnish companies in all over the country. This also means that data limitations prevent from analyzing the relationships or causalities between variables. It is not either possible to draw conclusion on company's home place, line of business etc. Among participated companies there were little more companies that represented *Wholesale and retail trade; repair of motor vehicles and motorcycles* -business than any other line of business. In other words, the sample does not represent accurately the population of Finnish companies.

Unfortunately also some answers, mainly those provided to the open questions, were not answered as strictly and complete manner as would have been desirable. That is why more detailed studies should be undertaken, which would not leave any space for interpretation. In this study interpretation was possible mainly in the question, where participants were asked to add informal comments about e-marketing or bring up the problems they have had.

### 9.3 Future study topics

The situation in e-marketing and especially in social media marketing certainly is not static. It is constantly evolving and hence this study only represents the situation that was dominant in certain moment of time and it is important to study these issues at regular intervals. Secondly, it would be interesting to compare the effectiveness of traditional marketing and social media marketing, for example, by promoting some less popular product and see the results. Thirdly, quite recent and totally different technology *augmented reality* has seen some realizations where used for marketing purposes and it has a potential to engage individuals for the process. Fourthly, another interesting thing would be to study mobile devices and what kind and how important role mobile devices will get in marketing field. We know already that people are more and more using social media applications through different kinds of mobile devices. These new technologies and services provide study topics that are also important, since at the same time, they provide valuable information for the business field. Thus, there is a need for studies like this also in the future to find out the future developments in e-marketing among Finnish companies.

## 10. Conclusion

This study contributes to the understanding of the marketing and advertising situation among Finnish companies, in the field of e-marketing and especially social media marketing. This study gives also information about companies' future intentions. These questions were studied by doing a survey research. A questionnaire-study was conducted first and later three interviews, where a deeper image of marketing challenges were acquired. This study has also presented several previous researches that show how to use common e-marketing methods and how to use social media to company's advantage.

Survey results show that companies have already widely deployed the Internet as a marketing channel and almost every company have also deployed at least one of the social media services in their marketing. Many companies are also planning that they will deploy new electronic marketing channels. By embracing the Internet and social media strategy it is possible to save money in marketing since many of the e-marketing methods are significantly cheaper than traditional marketing methods. Also in social media company can employ the influential marketing strategy of word-of-mouth marketing. Customers will share their opinions on corporate brands and products with or without company interaction and therefore it is in the best interest of the company to take part and positively influence the message facilitating action and brand awareness through integrated viral marketing strategies (Larson, 2009). Literature shows that companies should view their approach to social media as an integrated strategy where different media are used continuously to diffuse the marketing message.

Marketer should also recognize that Internet-based media does not replace traditional media. Internet-based media expands marketing's ability to move consumers from awareness to engagement, consideration, loyalty, and advocacy. While the use of traditional media constitutes a trade-off between reach and consumer engagement, social media enables both reach and engagement through judicious use of all formats and platforms (Hanna et al., 2011).

One of the findings of this study is that though the companies perceive social media positively, they are also uncertain about their own skills to do effective marketing in social media. This study finds evidence that this state is common when company is just starting or is just on its early state of the SoMe acquisition. Results indicate that part of the companies learn to do social media marketing by trial and error, that is, doing marketing themselves without any help. However, based on interviews, also these companies might be interested to acquire help - at least to some special question of SoMe marketing. Trial and error -method may also result as a problem in measuring the influence of marketing activities. Previous studies also propose several methods to overcome this problem. The number of participated companies were not big enough to find out, is there any secrets behind successful e-marketing, but it can be argued with reasonably confidence that help from outside will make things happen easier and faster, in the case that company has no skills or experience for their own. The benefits of e-marketing are not normally realized in a short space of time though. In social media company should be active in its marketing and try to make a positive buzz.

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## Appendix A. Questionnaire

Kysymykset olivat pääsääntöisesti pakollisia pois lukien ne kysymykset, joissa pyydettiin kirjoittamaan vapaamuotoisia kommentteja.

### Sähköinen markkinointi Suomessa 2012

#### Yrityksen taustatiedot

1. Asemasi yrityksessä?

- a. Analyytikko
- b. Johtava konsultti
- c. Järjestelmäasiantuntija
- d. Kehitysjohtaja
- e. Kehityspäällikkö
- f. Konsultti
- g. Markkinointiassistentti
- h. Markkinointijohtaja
- i. Markkinointipäällikkö
- j. Myyntijohtaja
- k. Myyntipäällikkö
- l. Ohjelmistosuunnittelija
- m. Operatiivinen johtaja
- n. Projektipäällikkö
- o. Sovellussuunnittelija
- p. Strategia-konsultti
- q. Systeemisuunnittelija
- r. Tiedottaja
- s. Tuotepäällikkö
- t. Toimitusjohtaja
- u. Viestintäjohtaja
- v. Viestintäpäällikkö
- w. Web-suunnittelija
- x. Web-ylläpitäjä
- y. Yrittäjä
- z. Muu

2. Yrityksen toimiala

Tilastokeskuksen ylläpitämässä toimialaluottelossa ilmoitetut vaihtoehdot näytettynä alasvetovalikossa.

3. Työntekijöiden lukumäärä yrityksessä

- a. 1
- b. 2 - 3
- c. 4 - 5
- d. 6 - 10
- e. 11 - 50
- f. 51 - 100
- g. yli 100

4. Yrityksen liikevaihto?

- a. 0 - 50 000 €
- b. 50 001 - 100 000 €
- c. 100 001 - 200 000 €
- d. 200 001 - 500 000 €
- e. 500 001 - 1 000 000 €
- f. 1 000 001 - 2 000 000 €
- g. 2 000 001 - 5 000 000 €
- h. yli 5 000 000 €
- i. En osaa sanoa

5. Yrityksen sijainti (kunta)

Listaus kunnista näytetään alasvetovalikossa

6. Mikä on yrityksenne verkkosivujen tilanne?

- a. Yrityksellä on jo valmiit verkkosivut
- b. Yrityksellä ei ole vielä verkkosivuja, mutta olemme kiinnostuneita / suunnittelemme niiden hankkimisesta
- c. Yrityksellä ei ole verkkosivuja emmekä näe niitä tarpeellisiksi tällä hetkellä
- d. En osaa sanoa

7. Harjoittaako yrityksenne liiketoimintaa internetissä verkkokaupan välityksellä?

- a. Kyllä
- b. Ei
- c. Ei, mutta olemme kiinnostuneita verkkokaupasta tai siirtymässä verkkokauppaan
- d. En osaa sanoa

**Markkinointiin tehtävät investoinnit**

8. Kuinka paljon yhteensä yrityksenne investoi vuosittain pääomaa markkinointiin?
- a. 0 - 1000 €
  - b. 1001 - 5 000 €
  - c. 5001 - 10 000 €
  - d. 10 001 - 50 000 €
  - e. yli 50 000 €
  - f. En osaa sanoa
9. Kuinka suuri osa markkinointiin panostettavasta pääomasta käytetään sähköiseen markkinointiin?
- a. 0 - 1000 €
  - b. 1 001 - 5 000 €
  - c. 5 001 - 10 000 €
  - d. 10 001 - 50 000 €
  - e. yli 50 000 €
  - f. En osaa sanoa
10. Mitä perinteisen markkinoinnin markkinointikanavia yrityksenne käyttää?
- a. Painettu media
  - b. TV-mainonta
  - c. Radio
  - d. Ulkomarkkinointi (esim. kyltit)
  - e. Puskaradio
  - f. Muu
  - g. Emme käytä perinteistä markkinointia
11. Muuttuiko yrityksenne markkinointiin investoitava pääomaa tänä vuonna viime vuoteen nähden?
- a. Kyllä
  - b. Ei
  - c. En osaa sanoa
12. Minkä suuruinen investoitavan pääoman muutos oli?
- a. 0 - 10 %
  - b. 11 - 30 %
  - c. 31 - 50 %
  - d. 51 - 100 %
  - e. yli 100 %
  - f. En osaa sanoa
13. Oliko muutos negatiivinen vai positiivinen



- a. Positiivinen
- b. Negatiivinen
- c. Ei muutosta
- d. En osaa sanoa

### Sähköinen markkinointi yleisesti

14. . Kuinka tärkeässä asemassa sähköinen markkinointi on yrityksenne yleisessä markkinointistrategiassa?

	1	2	3	4	5
Ei ollenkaan [1-5] Hyvin tärkeää					

15. Mitkä sähköisen markkinoinnin osa-alueet ovat teille haastavimpia?

- a. Näkyvyyden saavuttaminen
- b. Oikean markkinointikanavan valitseminen
- c. Oikean kohderyhmän saavuttaminen
- d. Hakukoneoptimointi (SEO)
- e. Sähköpostimarkkinointi
- f. Markkinoinnin suorituskyvyn arviointi
- g. Muu
- h. En osaa sanoa

16. Kuinka tehokkaaksi näette yrityksenne sähköpostimarkkinoinnin?

- a. Erittäin tehokas
- b. Jokseenkin tehokas
- c. En ole varma
- d. Jokseenkin tehoton
- e. Erittäin tehoton
- f. Emme tee sähköpostimarkkinointia

17. Onko yrityksenne tehnyt "lupamarkkinointia" sähköpostia käyttäen?

- a. Kyllä
- b. Ei
- c. En osaa sanoa

18. Mistä lähteistä yrityksenne web-sivut saavat suurimman määrän kävijäliikennettä?

- a. Hakukoneet (esim. Google tai Yahoo!)
- b. Viittaavat web-sivut
- c. Sosiaalinen media

- d. Suora liikenne
  - e. Sähköpostimarkkinointi
  - f. Muu
  - g. En osaa sanoa
  - h. Yrityksellämme ei ole web-sivuja
19. Oletteko oma-aloitteisesti lähettäneet yrityksenne web-sivujenne viittausinformaatiota (linkkejä) mihinkään internetin hakemistopalveluun?
- a. Kyllä
  - b. Ei
  - c. En osaa sanoa
  - d. Yrityksellämme ei ole web-sivuja
20. Otatteko aktiivisesti osaa linkkien vaihtoon (eng. "link exchange") minkään ulkoisen osapuolen kanssa?
- a. Kyllä
  - b. Ei
  - c. En osaa sanoa
  - d. Yrityksellämme ei ole web-sivuja
21. Oletteko pyrkinyt parantamaan yrityksen asemaa hakukoneiden hakutuloksissa hakukoneoptimoinnin (SEO) avulla?
- a. Kyllä
  - b. Ei
  - c. En osaa sanoa
  - d. Yrityksellämme ei ole web-sivuja
22. Mitkä seuraavista maksullisista markkinointikanavista kuuluvat yrityksenne markkinointistrategiaan?
- a. Hakukoneiden "pay per click"-mainonta (esim. Google Adwords)
  - b. Sosiaalisten medioiden "pay per click"-mainonta (esim. Facebook-mainonta)
  - c. Mainosbanneriverkostot
  - d. Maksulliset tekstilinkit ulkopuolisilla web-sivuilla
  - e. Muu:
  - f. En osaa sanoa
  - g. Yrityksellämme ei ole web-sivuja
23. Käyttääkö yrityksenne mitään seuraavista web-sivustojen analytiikkapalveluita?
- a. Google Analytics
  - b. Google Webmaster Tools
  - c. Snoobi
  - d. Netmonitor

- e. Yandex Metrika
  - f. Yandex Webmaster Tools
  - g. Muut:
  - h. En osaa sanoa
  - i. Yrityksellämme ei ole web-sivuja
24. Onko yrityksenne käyttänyt ulkopuolisten sähköisen markkinoinnin palveluntarjoajien apua?
- a. Kyllä
  - b. Ei
  - c. En osaa sanoa
25. Jos yrityksenne harjoittaa markkinointia muissa maissa kuin Suomessa niin missä?
26. Jos toteutatte sähköistä markkinointia yllä mainituissa kohdemaissa, niin mitä?
27. Seuraako yrityksenne aktiivisesti kilpailijoita sähköisessä markkinoinnissa?
- a. Kyllä
  - b. Ei
  - c. En osaa sanoa
28. Miten seuraatte kilpailijoitanne?
- a. Sosiaalisen median kautta
  - b. Kilpailijoiden web-sivujen kautta
  - c. Hakukoneiden avulla (esim. Google Alert)
  - d. Blogien avulla
  - e. Muut
  - f. En osaa sanoa

### **Sosiaalinen media**

29. Käyttääkö yrityksenne mitään alla olevista sosiaalisista medioista markkinointikanavina?
- a. Facebook
  - b. Twitter
  - c. Myspace
  - d. LinkedIn
  - e. Google+
  - f. VKontakte
  - g. Muu:
  - h. En osaa sanoa

30. Ovatko kokemuksenne sosiaalisen median markkinoinnista positiivisia?

- a. Kyllä
- b. Ei
- c. En osaa sanoa
- d. Emme ole tehneet sitä

31. Kuinka monta seuraajaa yrityksellänne on Facebookissa?

- a. 0 - 50
- b. 51 - 100
- c. 101 - 300
- d. Yli 300
- e. En osaa sanoa
- f. Emme ole Facebookissa

32. Kuinka monta seuraajaa yrityksellänne on Twitterissä?

- a. 0 - 50
- b. 51 - 100
- c. 101 - 300
- d. Yli 300
- e. En osaa sanoa
- f. Emme ole Twitterissä

33. Kuinka monta seuraajaa yrityksellänne on LinkedIn:ssä?

- a. 0 - 50
- b. 51 - 100
- c. 101 - 300
- d. Yli 300
- e. En osaa sanoa
- f. Emme ole LinkedIn:ssä

34. Kuinka arvioit yrityksenne osaamisen sosiaalisen median markkinoinnin toteutamisessa?

	1	2	3	4	5
Huono [1-5] Erinomainen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

35. Mitä odotuksia tai tavoitteita teillä on sähköiseen markkinointiin liittyen seuraavan kuuden kuukauden ajalle?

- a. Yrityksen kokonaisvaltainen näkyvyys kasvaa
- b. Yrityksemme saa sosiaalisessa mediassa lisää aktiivisia seuraajia
- c. Hankimme kansainvälistä näkyvyyttä
- d. Investoimme enemmän sähköiseen markkinointiin

- e. Investoimme vähemmän sähköiseen markkinointiin
  - f. Hankimme ulkopuolista osaamista sähköisen markkinoinnin haasteiden ratkaisemiseen (esim. ulkoistaminen tai konsultointi)
  - g. Investoimme henkilöstömme osaamiseen sähköiseen markkinointiin liittyen (esim. koulutukset)
  - h. Otamme käyttöön uusia sähköisen markkinoinnin jakelukanavia (esim. sähköpostimarkkinointi tai sosiaalinen media)
  - i. En osaa sanoa
36. Onko teillä muita ongelmia tai kommentteja sähköisestä markkinoinnissa, joista haluaisitte mainita?

## Appendix B. Themes for interviews

These themes and questions were used in interviews.

1. What marketing methods your company use at the moment?
2. What kind of challenges you have encountered in your e-marketing?
3. How social media supports your marketing?
4. How e-marketing changes in the future in your company?